

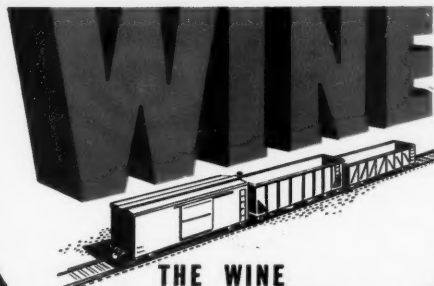
# RAILWAY AGE

**FREIGHT TRAFFIC ISSUE**

**MARCH 25, 1950**

**GREATER** *All-weather* **SAFETY**  
**FOR THE TRAINMAN**

*with this* **GRIP**



THE WINE  
RAILWAY APPLIANCE CO.  
TOLEDO, OHIO

**"SAFE GRIP" LADDERS  
AND HANDHOLDS**

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## WEEK AT A GLANCE

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**WATCH-DOG:** Probably few people outside the railroad industry, and very likely not many more of those in it, realize the care and thoroughness with which railroads test the materials they buy. But the test department has, nevertheless, a very important part to play in provision of safe and efficient transportation. Some of its functions are told, with a few light touches, by R. E. Coughlan of the C.&N.W. on page 32.

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**RECTIFIER LOCOMOTIVE:** Beginning on page 35, A. C. Monteith, engineering vice-president of the Westinghouse Electric Corporation, describes two 6,000-hp., 165,000-lb. tractive force electric locomotives being built for the Pennsylvania in which high-voltage a.c. current drives d.c. traction motors.

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**PERFECT SHIPPING:** Next week marks the beginning of the annual "Perfect Shipping Month," when shippers and carriers alike intensify their never-ending efforts to cut down loss and damage to freight. The reasons for such a special effort and the organization and plans for this year's campaign are outlined on pages 54 and 55, while on page 31 is a list of "seven points for perfect shipping."

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**"TAILOR-MADE" SCHEDULES:** On page 56, W. L. Walworth, supervisor of merchandise schedules for the N.Y.C., tells how his company is using "custom-made" schedules, based on a variation of trap-car loading or timed truck pick-ups, to improve its l.c.l. service.

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**FOR BETTER FREIGHT SERVICE:** Emphasis in this issue is on freight service—on what the railroads are doing, either on their own or in cooperation with shippers, to improve that service. Along that line are such articles as the description of a new Missouri Pacific freight station at St. Louis on page 48; an account of how the Norfolk & Western promotes industrial development along a secondary main line (page 59); an outline of the D. L. & W.'s use of mechanized equipment to move all sorts of export and lighterage freight at its Hoboken terminal piers (page 52); and a description by Traffic Vice-President Schier of General Foods of that company's revolutionary plan of merchandise distribution—a plan which, incidentally, brings the railroads increased business in return for good service (page 50.)

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**IN SHIPPERS' SELFISH INTEREST:** "We users of transportation must keep in mind that only by proper solution of the overall transportation situation will we ever reach our selfish goal of the most efficient transportation service at the lowest possible cost." That thought—the necessity for users of transportation, in their own interest, to cooperate with agencies of transportation in finding a complete and workable solution to the country's transport problem—was

the theme of the feature address by Earl B. Smith to the 25th anniversary meeting of the New England Shippers Advisory Board at Boston this week. More excerpts from Mr. Smith's carefully reasoned analysis are included in our news report of the meeting.

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**IN THE NEWS:** Freight car loadings increase again, to top corresponding weeks of both 1949 and 1948.—S.P. orders 108 Diesel units; M.P. 1,010 freight cars.—C.&O. to spend \$8¼ million on 21 Diesels and new car ferry.—I.C.C. approves third Bulwinkle-Act rate pact, this time for eastern railroads.—First quarter freight-car orders total 21,583.—Mitchell reappointed to I.C.C.; Knudson unopposed.—C.&W.I. joins ranks of fully Dieselized "steam" railroads.—Gordon asks revision of C.N. financial structure.—Switchmen's 40-hr. case goes to emergency board.—More time asked in hearings on conductors' and trainmen's demands.—Crosser introduces bill for union shop and check-off system on railroads.

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**BUREAUCRATS ON PARADE:** Department of Justice had its chance this week to tell the I.C.C. all about how the big bad railroads ought to pay the poor little government "reparations" because they enjoyed the "stimulation and invigoration" of hauling war-time freight. Washington has long been known, of course, as a regular Garden of Eden for cock-eyed economic ideas, but the justice boys unwrapped a couple that should make even a blue potato blush. That one about "stimulation," for example; the theory that equipment bought during the war "cost the railroads nothing"; and the notion that federal income taxes are just sort of a myth—a figment of the imagination—of no benefit to the government, and a "benefit," rather than an expense, to the taxpayer. We can't help but note, too, that the department—having objected to any evidence from the railroads as to their finances, capital needs, improvement plans, etc.—proceeded to offer considerable testimony of its own as to the railroads' alleged war-time earnings. Which proves, perhaps, that justice is indeed blind—at least in one eye. It's told in more detail in the news account which starts on page 64.

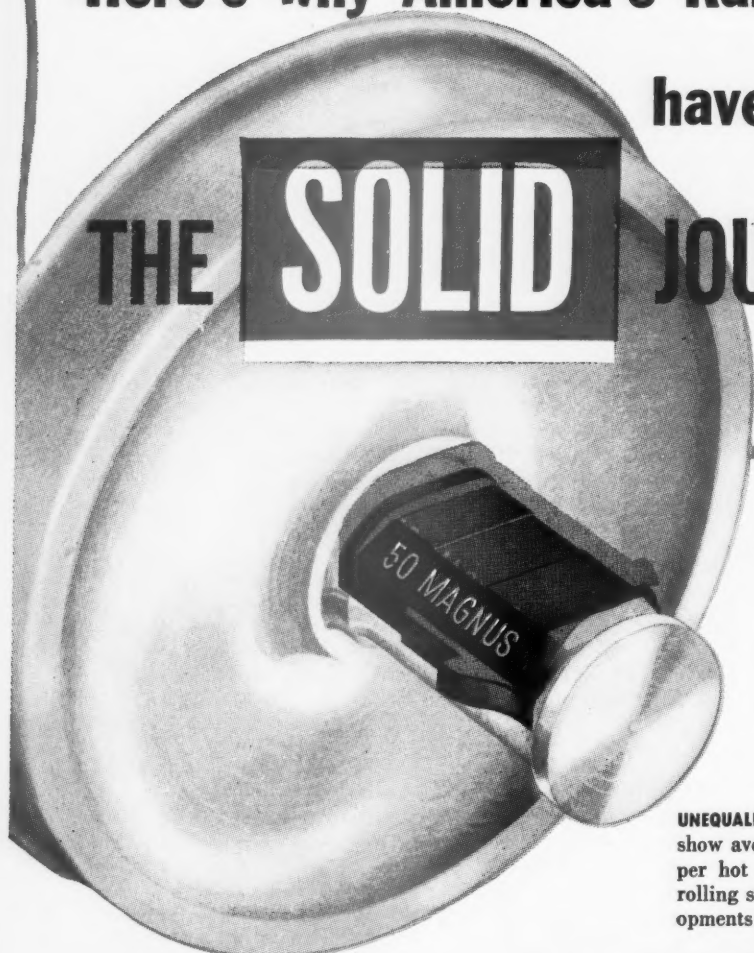
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**TRANSPORTATION BY TAXATION—A USER'S VIEW:** A definite policy of using railroads whenever possible, in preference to subsidized agencies of transportation, was announced this week by the Westinghouse Electric Corporation. The announcement—the "news development" predicted on this page last week—was made to the Western Railway Club by Andrew H. Phelps, Westinghouse v.-p., in an address which is reprinted, virtually in full, beginning on page 42. In the first column on that page is a statement of what Mr. Phelps called "self-evident truths" which is worth particularly careful reading. Our leading editorial (page 29) makes a strong argument for continuation of just such public discussions of the country's transportation problem as the speech by Mr. Phelps.

Here's why America's Railroads

have standardized on

# THE **SOLID** JOURNAL BEARING

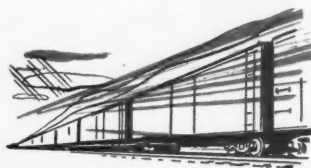


*No other type of bearing offers you all of these service-proved advantages*

**UNEQUALLED PERFORMANCE:** Surveys of cars in unrestricted service show average performance records as high as 850,000 car miles per hot box — and in high-speed freight service with on-line rolling stock, as high as 17 million car miles per heating. Developments now in process will improve performance still further.



**SMOOTHEST RIDING QUALITIES:** Solid bearings do *not* rigidly oppose lateral movement — in fact they provide flexible control of lateral to give lading a smoother ride than is available with any other bearing type on equivalent trucks. You get more mileage per wheel set.



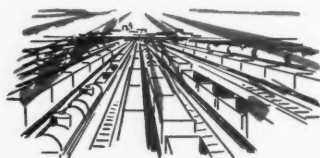
**LOWEST ACCELERATING AND RUNNING RESISTANCE:** In motion, the solid bearing glides on a single film of oil, like a skater on ice. No complicated moving parts—no multiplicity of oil films.



**EXTREMELY LIGHT WEIGHT:** Standard A.A.R. solid bearing assemblies average about 1,500 pounds per car set. And solid bearing equipped cars average 1,000 pounds *less dead weight* than those with any other type of bearing assembly.



**EASE OF MAINTENANCE:** Solid bearings can be fully inspected or replaced *on the line* in about ten minutes, simply by jacking the truck. No shopping is required — no expensive maintenance machinery or skilled labor.



**UNIVERSAL INTERCHANGEABILITY:** Utter simplicity of the A.A.R. solid bearing helps make possible unrestricted interchange service.



**ROCK BOTTOM COST:** Saves more than 25% on *total* car cost. Replacement averages only \$20 per car set—a *fraction* of that for any other bearing type. No expensive equipment needed.

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# RAILWAY AGE

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## SHOULD PUBLIC DISCUSSION OF TRANSPORTATION'S ILLS BE SHUT OFF?

Word comes of a movement, said to be supported by some purchasers of transportation service, to call upon both the railroads and the long-haul trucking business to refrain from publicity efforts which would reflect "destructively" upon each other. The argument in support of this view, as we get it, is that public airing of the shortcomings of the two principal branches of the transportation industry would tend to bring the entire industry into disrepute, thus endangering the continuance of private operation.

### **Economic Shady Spots**

Everybody in transportation, either as a producer or a purchaser, knows where the economic shady spots lie. They do not reside with the railroads, which are completely self-supporting and tax-yielding, and are completely regulated. The railroads nowhere have their hands in the taxpayers' pockets. Hence they have nothing whatever to fear from a campaign of publicity which will turn the spotlight on the shady places in the present financing of transportation. Nothing truthful to the railroads' detriment can be uttered in this connection; hence nothing can be said against them which cannot easily be disproved, thus damaging those who say it rather than the railroads.

Whatever dangers to reputations in the transportation business are involved in public disclosure of

the irregular economic practices which prevail in parts of it, the railroads will simply have to take those risks—because continuance of the *status quo* means certain death to private ownership; and in widespread publicity lies the only hope of altering this intolerable *status quo*. A course involving the risk of destruction is preferable any time to one involving destruction as a *certainty*.

Furthermore, the railroads have not made—and do not have to make—any *ex parte* statements derogatory to the economic position of any of their rivals, particularly those engaged in the long-haul movement of freight on the public highways. The facts as to the inadequacy of payment for the use of the highways by operators of heavy-duty vehicles have been fully developed—and the same is true regarding the prevalence of highway damage from overladen vehicles. Dissimilar regulatory and promotional efforts by government as among the several agencies of transportation have been condemned by no less an authority than the Brookings Institution.

The facts of sound economics and sound political philosophy never supported any industry more substantially than they support the railroad industry today. If railroad managements should consent to sink silently into socialization without using these facts to the utmost in the industry's defense, they would be faithless to their trust. While these facts are pretty generally known among transportation

people, it will do no harm once again to outline the principal components:

I.—The railroads have not become economically obsolete; they have merely been made unattractive to private investors by adverse political action. The average railroad rate is still only about one-third as great as the average price for truck movement. It follows that the nation cannot permit wholesale abandonment of railroad service without suffering an intolerable reduction in the national standard of living. If political obstacles in the way of private financing of the railroads cannot be removed, it inevitably follows that their operation must be assumed by the government.

II.—The railroads in 1949 earned only \$687 million of net railway operating income, or a return of 2.9 per cent on their depreciated property investment—this in a year when industrial activity, as measured in units of physical production, was only 5 per cent below 1948's all-time record for a period of peace. Net earnings in 1949 were less than they were in 1940 and about equal to those of 1936—in both of which years gross earnings were only about half those of 1949. There were two "large" railroads (those with gross revenues above \$50 million) which failed to earn their fixed charges in 1949; and five additional big railroads, among them two of the country's very largest, failed to cover their fixed charges by the safety margin of 1½ times. Only 8 per cent of gross revenue was carried through to net railway operating income in 1949. With the railroads able to do no better than this in a year of near-peak industrial activity and large profits for industry generally, the difficulties which would immediately confront these carriers in the event of a substantial decline in general business activity are quite obvious.

III.—Equally obvious is the cause of the railroads' failure to show any degree of prosperity when other business is booming—namely, the fact that, with passenger train operation again unprofitable, average freight revenue per ton-mile has risen only about 50 per cent above prewar while unit costs of labor and materials have doubled. Added to this unfavorable situation, and contributing to it, is the fact that the ratio of the nation's traffic moved by trucks has steadily increased since the war; and that in 1949 the proportion of the nation's total ton-miles moving by rail reached the all-time low of only 61.4 per cent. In 1948 the trucks' ratio of the nation's total ton-miles was 8.7 per cent, representing operating revenue of \$2.8 billion. In 1949, while railroad traffic and revenues declined substantially, the traffic and revenue of the trucks showed a steady increase. The operating revenue of the truck operators in 1949 certainly exceeded the \$3 billion mark, or more than 40 per cent of railroad freight revenues.

IV.—Evidence is steadily accumulating that—while the railroads are failing to retain their prewar ratio of the nation's total traffic and the ratio moved by the truck is steadily increasing—the heavy truck

is being increasingly favored, compared to lighter vehicles, in payments levied for the use of the highways; that overloading of trucks is a common and highly profitable practice; and that the present status of regulation gives the trucks a wide field in which to "pick and choose" remunerative traffic, leaving the unprofitable traffic to the railroads. It follows inevitably that (a) charging heavy trucks for highway use in proportion to the benefits they derive; (b) restricting their loading to limits recommended by the highway engineers; and (c) "deregulating" the railroads to enable them to compete on equal terms with unregulated or partially regulated trucks—would enable the railroads to hold onto and recapture a large part of the "border-line" traffic now being diverted to the highway.

### **Cure Worst Ills First**

If this alarming leakage of the railroad industry's all-important freight traffic could thus be halted, the natural growth of the country in population and production would hold out great promise in a very few years of building railroad traffic and earnings back to a profitable level, and restoring the industry to favor among private investors. The threat of eventual government ownership which has hung over the industry like a pall for almost two decades (the war years excepted) should thus be finally dissipated. There are, of course, other less important factors operating against railroad solvency—e.g., government favors to water and air carriers—but these are quantitatively less dangerous than the present situation with regard to truck transportation. There is no use worrying about a patient's sore finger until it can be learned whether he is going to pull out of his pneumonia.

It is not in the public interest in continued private ownership of the railroad industry that such facts as the foregoing be concealed. On the contrary, the public interest—as well as the long-run selfish interest of everybody engaged in transportation—requires wider and wider dissemination of such information until, at length, suitable corrective measures are adopted. Far-sighted shippers will recognize that continuance of private ownership lies, not in keeping silent about the uneconomic factors which are impoverishing the railroads, but in taking steps to correct these conditions as, for example, the Westinghouse Electric Corporation has announced it is going to do—as reported elsewhere in these pages.

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"The railroads are not concerned with all trucks, as the heavy-truck industry would like to have you believe. We are concerned with the 2 per cent of heavy inter-city vehicles which are doing business on the public highways at taxpayers' expense. Nor are the railroads fearful of competition with the heavy truck, provided it is placed on a fair and an equitable basis and the heavy truck pays all its operating expenses."—H. L. Baldwin, assistant vice-president, New York, New Haven & Hartford

## HOW TO CURTAIL TRUCK OVERLOADING QUICKLY

The nation's shippers could make a substantial and immediate contribution toward resolving the present chaos in transportation by the simple act of refusing to ship their products in trucks loaded beyond the maxima of size and weight permitted under the laws of the states through which the truck will operate.

There is no doubt whatever that overloading of trucks is one of the principal reasons for the present inadequacy of the nation's highway system, which confronts highway users and taxpayers with the expenditure of billions, merely for the rehabilitation of the highways, to say nothing of their improvement. Thomas H. MacDonald, U. S. commissioner of public roads, has said:

Our inarticulate roads cannot put on a publicity campaign against mistreatment, but they are reflecting misuse in other more positive and more costly ways. Specifically, we are overloading our highways in their traffic volume capacity and in their structural capacity. There is more than ample proof. The overloading of safe capacity by numbers and by driver misuse is reflected in the accident record. The overloading of safe structural capacity is reflected in the skyrocketing maintenance and reconstruction costs. . . .

Axle loads in excess of 18,000 lb. should not be authorized, and any revision of laws governing gross weight of vehicles should take the form recommended by the American Association of State Highways Officials, which relates gross weight to the number and spacing of axles. This code is the product of many years of research, of field tests, of numerous conferences, and of experience. . . .

In 1931 only about eight trucks in every thousand had axle loads of 18,000 lb., and there were practically no axle loads in excess of 20,000 lb. In 1947, 76 trucks in every thousand had axle loads of 18,000 lb. or more, 33 of which were 20,000 lb. or more, and 14 were 22,000 lb. or more. Axle loads of 28,900 lb. have been found in Connecticut, 29,000 lb. in Massachusetts, 26,000 lb. in Ohio, 40,420 lb. in New Jersey, 31,820 lb. in New York, and 26,200 lb. in Maryland. . . .

Prior to the war, damage had reached alarming proportions. With the marked increase in heavy loads since the end of the war, the damage has become even more alarming. . . .

This year [1949] the total maintenance costs are estimated, for state, county, city and local roads, at \$1,103 million. This amount represents 72 cents for each one dollar expended for construction. Even such a comparison does not reveal the cost of keeping the present road system in operation, because a large percentage of the construction expenditure of \$1,531 million goes for reconstruction of roads depreciated beyond the possibility of maintenance.

In spite of Commissioner MacDonald's warning that axle loads in excess of 18,000 lb. should not be permitted, it is, nevertheless, a fact that in the area east of the Mississippi alone, more than half the states have already legalized axle loading in excess of the 18,000-lb. maximum which is the heaviest the roads were built to bear. This, however, is only part of the story, because evidence is nationwide that over-generous limitations on truck weights are more often honored in the breach than in the observance. To cite just one example, in Maryland—according to a report in the Baltimore Sun—3,120 truck op-

erators were convicted of overloading in the period from February 14, 1949, to mid-December in the same year. One large and nationally known operator was convicted 81 times during that period—despite which fact the fines inflicted on him for four violations in the second week of December averaged only \$62.50, which is less than the extra freight charges a truck operator will often receive from one single overload.

Similar reports are available from practically every state in the union. The rewards to the trucker for overloading are so substantial that the temptation to engage in the practice is overwhelming—especially since the chances of detection are so slight and the penalties, if caught, so inconsequential. The conscientious truck operator who wishes to obey the law is, of course, impossibly handicapped in meeting the rates of the "overweight bootlegger" who quotes competitive rates based on his willingness to load his trucks more heavily than the law permits.

The shipping fraternity could put a stop to this anti-social practice overnight by issuing orders to employees not to permit loading of more of the shipper's products into a truck than will come safely within legal weight limits. No other one action within the power of any group in the country could accomplish so much, and so quickly, toward curtailing the destructive overloading to which the nation's highway system is now subjected; and no other one action, probably, would do so much to stop the uneconomical diversion of heavy, long-haul freight traffic away from the railroads, which were specifically built to handle this traffic, and onto the highways, which were definitely not built for this purpose.

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### SEVEN POINTS FOR PERFECT SHIPPING

**RECEIVING.** Be sure you get what you sign for—know the rules.

**MARKS.** Check for legibility and double marking. "One Consignee"—"One Destination," to get the freight to the consignee.

**CAUTION SIGNS.** "Handle With Care"—"This Side Up"—"Fragile"—observe all signs calling for special attention in trucking and loading. To carry safely the package must be handled as directed.

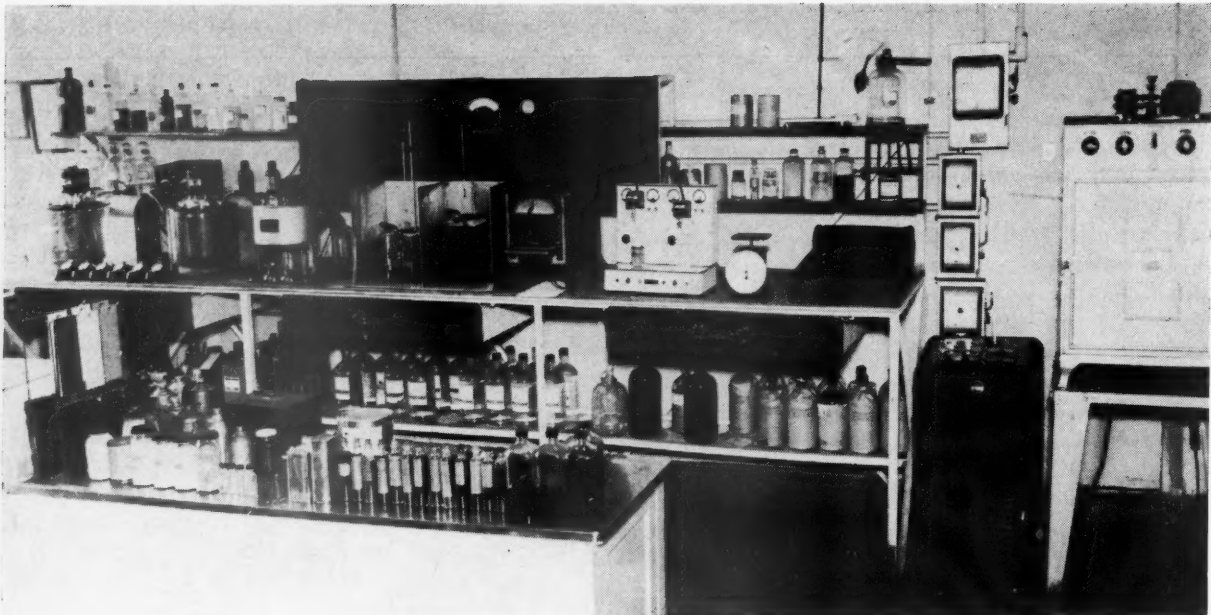
**IMPROPER PACKAGES.** Call attention to improperly prepared packages. You can recognize a weak container. Dilapidated, second-hand containers are a poor risk.

**LOADING.** Load to avoid damage. Build a load that is sure to carry well.

**SWITCHING.** Damage to car and contents can result when cars come together too fast. Keep coupling speed down to 4 m.p.h.

**WORKING TOGETHER.** Every job dovetails into every other job. Every operation must click without a slip to do the perfect transportation job the shipper pays for, and of which you are capable.





## The Testing of Railway Materials

*The testing department is a watchdog of material used by railroads in safe and efficient rail transportation*

By **R. E. COUGHLAN**

Chief Metallurgist and Engineer of Tests  
Chicago & North Western

**C**uriosity is a great incentive to investigation, a sure way to attract large crowds and sometimes to invite trouble. It is a typical natural characteristic of the American people. Scientists have sometimes glorified this curiosity by calling it research or research development, but it is still "Why?", or "What is it made out of?", or "What makes it tick?"

This curiosity or research is inflicted on railway supply companies by Class I railroads in the form of the railroad testing department, usually headed by an engineer of tests. This comparatively small department, while necessarily part of a railroad, is oftentimes the referee between the mechanical and purchasing departments, the engineering and mechanical departments, or the legal and operating departments. It is also the wailing wall of the claim department and sometimes the source of expert testimony required by the railroad in law suits. In addition, it is usually the liaison department between the railroads and the various government and state regulatory bodies in matters pertaining to public health and sanitation under interstate traffic regulations.

The employees of the testing department are all technically trained men, many of them with a master's

or doctor's degree in chemistry, metallurgy or a similar applied science. Primarily these men are all endowed with an inherently well-developed bump of curiosity. This staff more or less pries into operating, mechanical and engineering problems of the railroad and investigates the various characteristics of material from the gold plate on the brass buttons of a train conductor to the food and water furnished the traveling public. Yes, they also investigate the quality of various liquid refreshments which can be obtained on a buffet or lounge car when traveling through certain states. Fortunately, Rule G insures to the dining car or commissary departments a reasonable return on samples of such material sent to the testing department for investigation.

### **A New Problem Every Day**

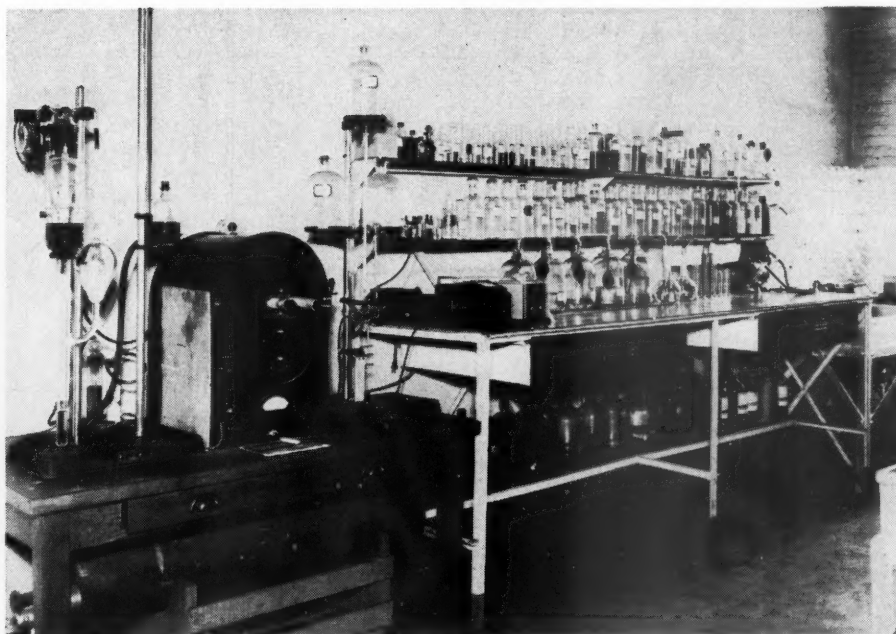
From this brief summary you can well visualize that practically every day in a testing department brings a new job or a new problem.

During the year 1949, our department conducted investigations as to the cause of some 120 cases of failures of locomotive, car and engineering department material. These ranged from burned journals to broken rails.

This article is adapted from an address presented at a Railway Supply Group luncheon held February 17, at the Union League Club of Chicago.

Facing page—In the oil-testing section of the C. & N. W. laboratory

Right—A section of the general analytical laboratory



Diesel bearings, wheels, couplers, truck sides, etc. These investigations verify a statement made by one of our old Irish brass-foundry foremen a number of years ago when he personally would bring to the laboratory, samples of the different melts of Babbitt and brass which he was making, at which time he would always say: "Some says it's too hard and some says it's too soft, youse tell me which." In many of our investigations, this old saying still applies.

During the year our laboratory, which is always a place of interest to visitors, completed some 20,000 chemical analyses of materials ranging from Diesel lubricating oil through the array of steel, coal, cement, cleaners, paint, food products, sugar and, to cap the climax, a shipment of cigars from the Philippine Islands which had been damaged by sea water before being loaded into the railroad car at San Francisco. We were also quite fortunate in identifying the bugs in several infested cars of lumber containing the still living borers with unpronounceable names, who had lived in the wood of the trees originally before the lumber was prepared or even thought of by any traffic department. The shippers had disowned this livestock and the consignee had refused to accept the lumber. On our recommendation these small, lively, but unwelcome visitors, together with their relatives and their living accommodations, were shipped back to their native state, freight collect, where at the last writing they were apparently quite happy, but still boring.

### **Material Inspectors' Function**

Our material inspectors passed upon 187 different items in varying amounts from 106,000 forgings and 126,000 journal bearings to 42,000 chilled-iron wheels. The total number of pieces inspected amounted to 1,680,500. In addition, some 29,000,000 gal. of Diesel fuel oil, 62,000 gal. of Diesel lubricating oil, and some 49,000,000 gal. of heavy fuel oil were checked at the various refineries or at destination.

With the advent of the Diesel-electric locomotive, Magnaflux inspection of locomotive and car parts has been on a decided increase. During the year some 42,000 parts were inspected. This inspection revealed defects in some 1,300 pieces of material which were removed from service and scrapped to insure against failure in operation.

The monthly mileages of railroad equipment are piling up to new totals under advanced operating conditions and, therefore, less time is allowed for layover between departures. Higher speed of freight and passenger equipment is required and failures on the road cannot be tolerated. Two Diesel locomotives now perform the work of six former steam locomotives on many of the long hauls and through runs. The running time between terminals has been reduced to meet competition not only of other railroads, but all other forms of transportation.

The steam locomotives still in service must be maintained in excellent serviceable condition to keep up with the Diesels. This necessitates advanced methods of water treatment and operating control. All of this requires new and better facilities for inspection and checking, with particular reference to detection and elimination of defective parts liable to affect successful performance of the power.

In the inspection of Diesel parts both the Magnaflux, employing dry powder, and the wet Magnaglo inspection are used. The Magnaglo inspection is particularly suitable for supplemental inspection of Diesel- and steam-locomotive parts, such as axles, gears, motor shaft, cylinder heads, etc. These facilities are particularly adapted for examinations and detection of thermal cracks frequently found in journals and minute fatigue cracks at the root of the teeth in traction gears of Diesel equipment.

The dry Magnaflux magnetic-particle inspection units are principally used on heavy steam-locomotive parts, such as rods, driving axles, crank pins, etc.

In all of this work, capable and well-trained op-



In the C. & N. W. water-testing laboratory

erators are of vital importance. This work is usually performed by shop mechanics thoroughly trained and instructed by the staff of the testing department. Any particularly new or unusual type of defect is a problem of study by the testing department to determine the cause and to attempt corrective measures.

Representative inspectors from the railroad testing department visit the manufacturing plants of companies furnishing material to the railroads. It is a peculiar fact that, for these inspectors, many times the welcome mat is taken from the door on their arrival and they are sometimes as welcome as the proverbial polecat at a Sunday school picnic.

Why this situation should prevail is more or less a mystery. Any good salesman is usually glad to show merchandise of quality to real or even prospective customers. These salesmen would consider the customer a fit candidate for a mental institution if he did not at least examine the material before he accepted it or paid his bill. Apparently this should not apply in the case of some railway suppliers insofar as railroad inspection is concerned. The railroad inspector's position must be one of fairness. He has no quota of rejections and is glad to accept material which meets railroad requirements.

It is no doubt true that keen competition may knock the price of an article down to such a low level that rejection of any of the material by the railroad inspector could mean a difference of profit or loss to the manufacturer. For this reason, it has been our experience that all companies who maintain their own inspection departments, independent of production or sales, are usually the companies with which the inspection department of the railroad have the least trouble. Where the inspection department of a supplier is reporting to the production department, a railroad inspector must be on his toes all of the time. The very able sales representatives of the various companies may sometimes forget that the production department is also working

on a close margin and, if some unusual or unlooked for complication arises, resulting in trouble in the manufacturing plant, immediately the railroad inspector is branded as too severe or "just a natural damn crab." Trouble of this nature can also interfere with the mill tonnage bonus, which does not add to the railroad inspector's popularity. It has been our experience with some companies that when a situation of this nature arises one of the top officials of the manufacturer immediately rushes to a good friend in the railway management requesting that inspectors be instructed to give them a break, regardless of what happens later.

### **Independent Test Department**

We have been fortunate in all cases of this nature inasmuch as our management has adopted a "hands off" policy, allowing us to fight our own battles.

Fortunately occurrences like this do not happen often with the supply companies with which it has been our privilege to deal, or with whose technical departments it has been our pleasure to work. We get along pretty well, as our inspectors try to be diplomatic and gentlemanly—especially in manufacturing plants equipped with overhead magnetic cranes.

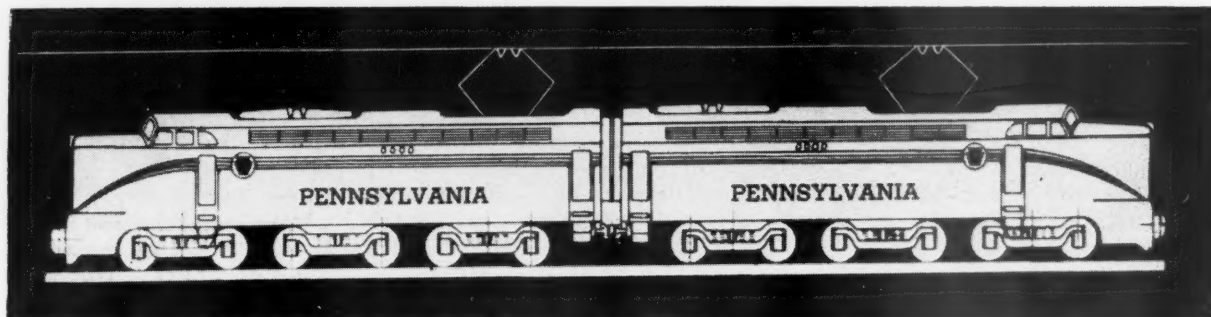
It is much easier and decidedly more pleasant to inspect and accept good material than to cull out that which is not acceptable. This is usually the case in plants where the inspection department is independent of the production department. It is generally in small plants where the manufacturer expects the railroad inspector to do the mill or shop inspection work that trouble is encountered.

Railroad testing departments are made up of human beings who are not mad at anybody. Unless absolute fairness is practiced, a technical department of this nature is worthless. A real testing department is simply the watchdog of material required by the railroad to insure safe transportation of human life and its necessities.



# RECTIFIER-TYPE LOCOMOTIVES

## Now Being Built for the Pennsylvania



The rectifier locomotives will have a continuous rating of 6,000 hp., will develop 165,000-lb. tractive force, and have a maximum speed of 63 m.p.h.

*Westinghouse engineers have taken advantage of recent developments to make a practicable application of this method, once abandoned, of combining high-voltage a.c. current distribution with d.c. traction motors*

By A. C. MONTEITH

Vice-president in charge of Engineering  
Westinghouse Electric Corporation

Forty years ago, when railroad electrification was rising in favor, Westinghouse transportation engineers visualized a possible answer to the problem of combining the advantages of alternating-current power transmission on the trolley with low voltage direct-current motors on the driving axles. The answer they visualized was the mercury-arc rectifier, which had just come into being.

The mercury-arc rectifier is simply a stationary device that converts alternating current into direct current. It consists of an evacuated tube containing a mercury pool and electrodes. In operation, an arc exists between the electrodes and the mercury to pass current in one direction.

### Early Rail Car Equipment

Putting action to idea, a rail car was equipped, in 1913, with a mercury-arc rectifier. This car covered some 22,000 miles in all kinds of service and operated satisfactorily enough to prove the principle sound, but it was not sufficiently successful to warrant practical use. There were drawbacks due simply to the state of development of the mercury-arc rectifier. In short, the idea was ahead of its day.

Three major difficulties were encountered that ruled out the rectifier car as a serious contender at that time: faulty operation in the tube occurred all too frequently; the rectifier caused objectionable telephone interfer-

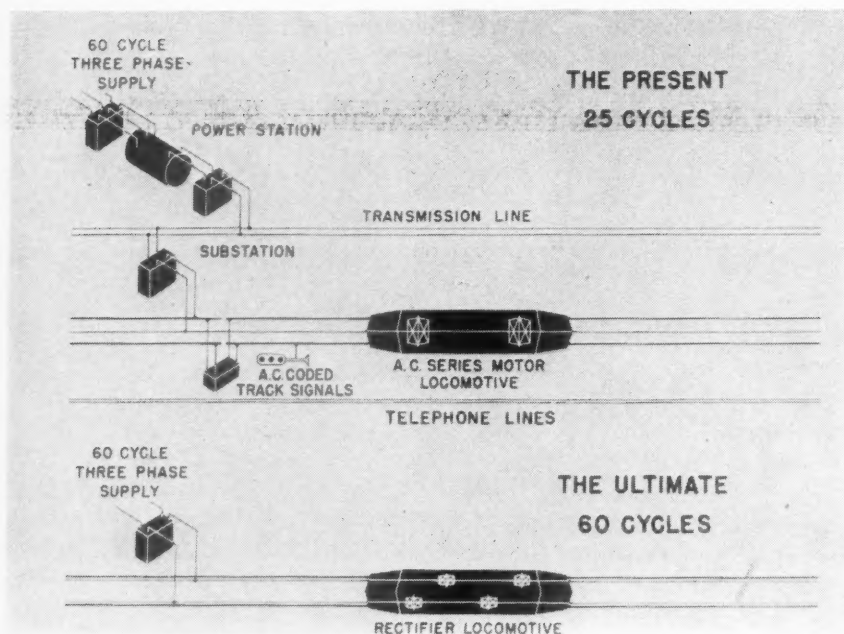
ence; and, finally, the vacuum in the tube could not be maintained for more than about three months, requiring frequent reconditioning.

So we shelved the idea. We didn't discard it; we just filed it away for the future. Meanwhile, we moved in the other direction to achieve the desirable objective of a locomotive with low voltage direct-current motors operating from an alternating-current trolley. One answer was the type of locomotive introduced in the 20's with motor-generator sets to convert the alternating current to direct current. These locomotives are performing well, most of the original ones still being in service. But motor-generator sets are expensive, excessive in weight and size, and have a relatively high power loss.

Meanwhile, we never lost sight of the idea of using a rectifier, which is efficient and has no moving parts. Then, in 1932, a much-improved ignitron-type rectifier was invented. During the recent war, this new rectifier was developed to such a high degree of reliability, as a major source of direct current for the nation's aluminum and magnesium plants, that we felt the time had come to take the rectifier idea out of mothballs.

While the idea was attractive, there were some doubts. "What," some asked, "about the splashing of the mercury pool in a vehicle running on rails? Might it not cause frequent momentary interruptions of power?" This sounded plausible. In order to find out, a pair of rectifiers was mounted on a metal table and an electrical load similar to that of locomotive motors was applied. With a motor and cam arrangement, the table

This is an abstract of a paper presented March 16 at a meeting in New York of the New York Railroad Club.



A comparison of present 25-cycle electrification system and one possible type of 60-cycle system

was shaken with a violence that would make even the roughest of rail service seem like a featherbed ride. The mercury pools in the rectifiers splashed about viciously but the tubes did not miss a beat. For months this went on, demonstrating that movement on rails should not interfere with ignitron operation.

But there were other questions. How about telephone interference? It was not known definitely what effect the rectifier action would have on telephone circuits paralleling the railroads. This and other problems could only be solved definitely by actual trials.

### Present Rail Car Equipment

One day last July there rolled out of the shops at Wilmington, Del., a multiple-unit railway car that was to all intent and purposes an ordinary unit, half baggage and half passenger, like many others in service on the Pennsylvania. Nothing about its outward appearance distinguished it from other cars. However, this was a car equipped with direct-current motors but with alternating-current power supply. Ignitrons converted the 25-cycle power from the 12,000-volt overhead trolley to direct current for the two standard 225-hp direct-current traction motors. The ignitrons in the car are standard. There are thousands of them in industrial service. Since last summer this car has been given extensive tests by the railroad, telephone, and Westinghouse engineers. It has been in revenue service for five months.

Westinghouse is now building two rectifier locomotives for the Pennsylvania. Each of these locomotives, made up of two self-contained units, will develop 6,000 hp. Each weighs 660,000 lb., has all weight carried on the 12 driving axles, and will produce a maximum tractive force of 165,000 lb.

The weight and space advantages of using rectifiers to effect the marriage of direct-current driving motors with an alternating-current power supply are dramatically demonstrated by the fact that motor-generator

equipment for a 6,000-hp. locomotive weighs four times as much as the rectifiers and their associated equipment. Furthermore, the motor-generators require longer and heavier locomotive cabs and running gear.

The fundamental operation of the rectifier locomotive is quite simple. Alternating current from the trolley is collected by a pantograph in the normal manner and is then reduced to low voltage by a transformer on the locomotive. Between the transformer and motors are located the rectifier tubes that convert alternating current into direct current. The speed of the locomotive is controlled by varying the output voltage of the transformer. The rectifier equipment has saved so much weight that we are forced to add ballast to secure the adhesion necessary to fully utilize the capacity of the electric drive.

### Merits of the Rectifier Scheme

Why add another distinctly different locomotive to the present large array that includes conventional steam, steam turbine, Diesel-electric, trolley-electric, and a newcomer—the gas turbine? What can the rectifier locomotive hope to add in the way of improved and lower cost railroad operation? Several attractive advantages immediately come into view. Some are startling.

The payoff for any locomotive is tractive force. It is not the whole story but it is an important part of it. What the rectifier locomotive promises in this regard can best be brought out by comparing it with a modern alternating-current electric locomotive of 5,625 hp. with motors similar to those now in service on the Pennsylvania and New York, New Haven & Hartford. The weights and dimensions of the rectifier and alternating current locomotives are essentially the same, yet the rectifier locomotive will be capable of producing continuously 47 per cent more tractive force at low speed.

This percentage increase in tractive force can be translated into ability to haul trains. The table shows the tonnages that can be hauled by the locomotives

# TONNAGE RATINGS FOR A TYPICAL RULING GRADE (12-AXLE LOCOMOTIVES)

	Trailing tons	m.p.h.
Rectifier	4,600	40
A. C. Motor	4,700	
Diesel	2,700	
Rectifier	14,000	17
A. C. Motor	9,000	
Diesel	8,300	

under comparison. The Diesel-electric locomotive most usually applied in freight service has been included to give a base point for evaluating the capacity of both the rectifier and the alternating-current locomotives. These tonnages are based on a typical division of an Eastern railroad. The speeds shown are the minimum for the division and occur on the ruling grade.

Out of fairness to the locomotive with alternating current motors, it should be brought out that the alternating-current type is an excellent race horse. As the table shows, its performance at high speed excels that of any locomotive. However, it is deficient in the low speed or drag zone. On the other hand, the rectifier type has very good low speed and starting performance, and still maintains high speed characteristics comparable to the a. c. locomotive.

In addition to superior tractive force, the rectifier locomotive demonstrates a number of other advantages. Its efficiency in converting trolley kilowatts to horsepower at the rail will be greater than is possible with the a. c. design.

To those roads which want the high standards of service which only electrification can produce, the rectifier should pave the way for lower cost installations. For the first time, electric motive power can be placed on a standardized, mass production basis. The rectifier tubes are now in commercial production and the traction motors are identical to the mass-produced Diesel motors. Many other parts of the locomotive can benefit cost-wise from use of standard apparatus and elements.

Not to be overlooked among the advantages of the rectifier locomotive is the possibility offered for low maintenance expense. The low-voltage d. c. traction motors which it uses require little attention. Broad experience with many rectifying equipments, which involve only static devices, indicates maintenance will be low.

## Electrification Possibilities

The rectifier locomotive will be put to good use immediately on the present electrified railroads because of its advantage of high tractive force, greater efficiency, and reduced maintenance. In the future, it may have more far-reaching effects because of what it offers in the way of cost reduction—both its own cost and the railroad electrification cost. It is quite possible that this new type of locomotive may be the key device by which the field of electrification will be widened to include many lines that cannot now economically justify it. This possibility is a consequence of another quality of the rectifier locomotive.

The rectifier locomotive will relieve a. c. electrification of the necessity of using 25-cycle supply, which is about the highest frequency for which a satisfactory a. c. series motor can be built. The commercial frequency is 60 cycles, so converting equipment or higher-cost generators were necessary for 25-cycle electrifica-

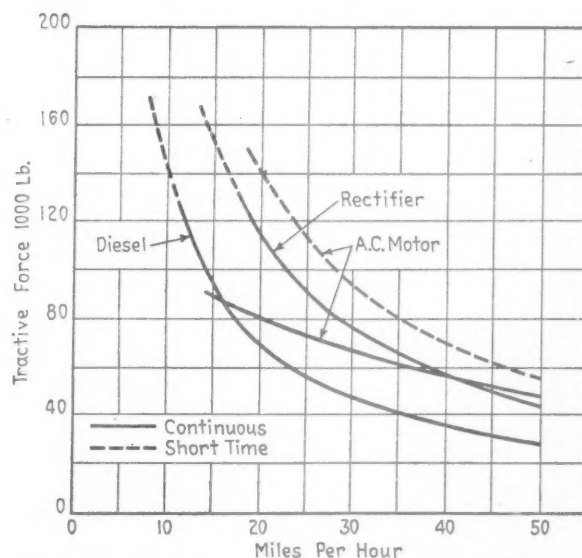
tion. The rectifier system offers a means of eliminating this expense since a rectifier operates as well on 60 cycles as on 25 cycles.

The drawing (Electrification Systems, page 36) shows (above) a simplified pictorial representation of a typical 25-cycle system. Only apparatus that must be added or changed when a road is electrified is shown. This system embraces rotating conversion apparatus from 60 to 25 cycles, a railroad-owned, 25-cycle transmission line, and railroad-owned substations in addition to the trolley itself. Also, major modifications are usually required for the telephone and telegraph circuits paralleling the railroad and the signal system.

As I mentioned before, rectifier motive power removes the barrier to 60-cycle electrification. This fact, and the recent trend of railroads to accept standardized apparatus, stimulates fundamental thinking on further railroad electrification. The lower drawing portion of the illustration portrays the ultimate in simplicity that might be attained. Since 60-cycle power can be used, all apparatus required can be of standard commercial type with a simple tie between the trolley and the power system, eliminating expensive conversion equipment. To reduce the changes necessary in signal and communication systems, it would be desirable to remove all locomotive current from the rails. This might be accomplished by using two trolleys.

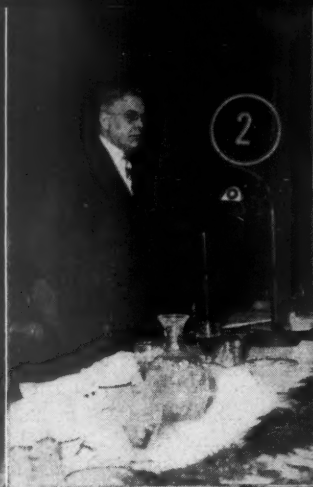
Such a simplified system is a possible objective but by no means a certainty at this time. We are working on the problems of simplifications. The results of all this work may produce a system closely approaching the one depicted here. It may result in something altogether different but just as desirable. Or it may be limited to a compromise between the two systems shown. Even the approximate form of the results cannot be determined now. However, it is certain that the possibilities will be exhausted.

Obviously, the proof of the ideas mentioned here will be given only in time. However, I believe you will agree that they hold intriguing possibilities.



Comparative performance curves of Diesel, rectifier, and a. c. electric 12-axle freight locomotives





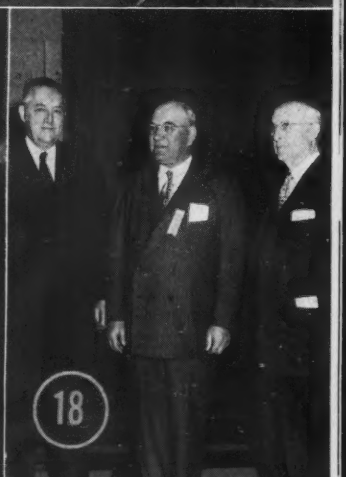
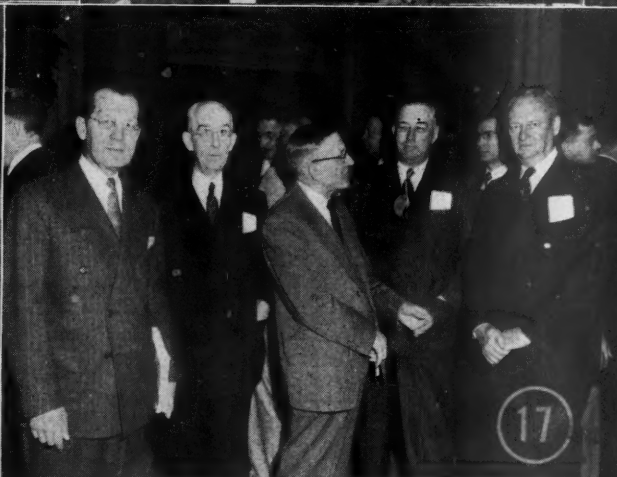
(ALL NAMES READ FROM LEFT TO RIGHT) (1) F. S. Schwinn (M.P.) presiding as president, A.R.E.A.; (2) W. G. Vollmer (T. & P.), delivering luncheon address; (3) L. H. Jentoft, A. K. Frost (both Erie), W. H. Firmin (Wyoming Tie & Timber), H. J. Weccheider (Erie); (4) J. H. Aydelott (A.A.R.) addressing opening session; (5) F. L. Fergus (N.C. & St.L.), Lem Adams (Oxweld Railroad Service), A. C. Clarke (B. & O.); (6) Front only—R. E. Patterson (L.V.), N. D. Howard (Railway Age), I. H. Schram (Erie); (7) B. J. Richards, C. E. Webb, T. M. von Sprecken, Jr., J. S. Wearn, L. C. Crissinger, E. S. Birkenwald, J. B. Akers, A. H. Exon, J. R. Derieux, Jr., (all Southern), C. W. Ashby (K. & I.T.), R. L. Fox, R. K. Seals, J. H. Sawyer, Jr., D. O. Willis, W. H. McNairy, H. L. Rose, E. Bennett, (all Southern), C. E. McCarty (R.F. & P.), H. B. Fraher, C. R. Gates, C. M. Rutledge, R. F. Bishop, W. F. Dunn, Sr. (all Southern); (8) F. D. Danford (T. & P.), C. B. Bronson (N.Y.C.), W. J. Hedley (Wabash), C. H. Mattier (I.C.); (9) H. B. Christianson (C.M.St.P. & P.), C. H. Blackman (L. & N.), G. M. Magee (A.A.R.), H. B. Christianson, Jr., (A.T. & S.F.), R. F. Spars, E. W. Bolmgren, W. C. Wallis, E. C. Jordan, W. C. Witham (all C.M.St. P. & P.), R. E. Dove (Railway Age); (10) J. W. Barriger (C.I. & L.), addressing the convention; (11) J. R. Burkey (Union Metal Manufacturing), M. Nearing (N.Y.C.); (12) A.R.E.A. members inspecting new A.A.R. laboratory; (13) G. M. O'Rourke (I.C.), R. J. Gammie (T. & P.), A. A. Miller (M.P.—retired); (14) seen at A.A.R. research laboratory—J. H. Aydelott (A.A.R.), Dr. H. T. Heald, president, Illinois Institute of Technology, J. T. Rettaliata, dean of engineering, I.I.T.; (15) R. P. Winton, A. B. Stone (both N. & W.); (16) L. R. Larnport (C. & N.W.), S. R. Hursh (P.R.R.); (17) Front row only—J. E. Bernhardt (C. & E.I.), J. S. McBride (C. & E.I.—retired), H. H. Talboys (Nordberg Manufacturing), J. C. Ryan (N.Y.C.), F. H. Simpson (N.Y.C.); (18) C. G. Grove (P.R.R.), F. G. Campbell (E.J. & E.), A. R. Wilson (P.R.R.—retired); (19) T. A. Blair (A.T. & S.F.), R. J. Gammie (T. & P.); (20) R. F. Lane (Fairbanks, Morse), R. C. Bardwell (C. & O.), E. P. Chase (Fairbanks, Morse); (21) W. J. Burton (M.P.), C. H. Blackman (L. & N.), H. R. Clarke (C.B. & Q.), R. P. Hart (M.P.).

(Other A.R.E.A. convention pictures will appear in the April issue of Railway Engineering and Maintenance.)



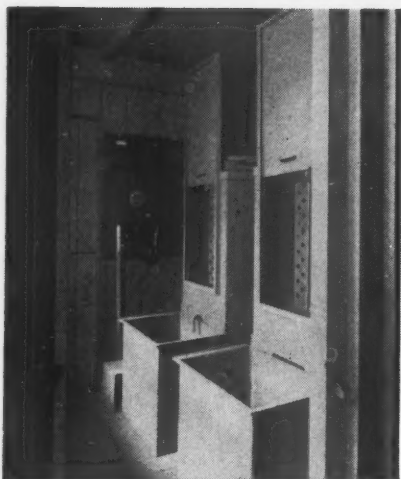
## Impromptu "Shots" at the A.R.E.A. Meeting

*A few informal groups of railway officers as seen at the convention held March 14-16 at the Palmer House, Chicago—  
A complete report of the business sessions appeared last week*





## New and Improved Products of the Manufacturers



Dip tanks and spinning equipment with electric controls



Exterior view of Mahon filter-cleaning unit

### CLEANING FILTERS FOR AIR-CONDITIONED COACHES

Self-housed cleaning and coating equipment for processing filters from air-conditioned coaches has recently been developed by the R. C. Mahon Company, Detroit, Mich. The cleaning unit, housed in all-weather enclosure with suitable windows and doors, contains complete equipment for cleaning and oil-coating filters.

The processing is done in two operations. In the first the filter is dipped into a tank of softening solution. It is then placed in a spinning chamber and the sliding door is closed. The filter rotates under pressure sprays of clean water until all dirt is knocked out of it. A pipe connection is provided for piping the waste water to a catch basin or sewer.

The second operation consists of placing the filter in the other compartment which has a tank where the viscous oil for coating the filter is maintained at a constant temperature by means of a thermostatically controlled electric immersion heater. The clean filter is dipped momentarily in the oil bath, then moved to the spinning chamber. The sliding door is closed, and a blower started which provides a stream of electrically heated air to maintain the filter at a suitable temperature to insure flowing of the oil. The spinner is then started and the surplus oil is thrown off, draining back into the dip tank.

The sliding doors are equipped with switches to prevent operation of the spinners while the doors are open.

### ENGINE RECORDER

An instrument incorporating a speedometer, a clock and odometer, which records the locomotive speed in miles per hour, the distance traveled, and the time the locomotive is in motion and idle, has been introduced with a new "push-pull" development by the Valve Pilot Corporation, 230 Park ave., New York 17.

This push-pull improvement of the cut-off mechanism has been designed for steam locomotives. Valve Pilots make a complete autographic record of speed

and cut-off. These instruments are used for indicating and recording speed and other operation features of steam, electric and Diesel-electric locomotives. They are available in four types, with ranges from 0 to 60 m.p.h., 10 to 90 m.p.h., 10 to 100 m.p.h., and 10 to 120 m.p.h., and can be equipped with an automatic train signal forestalling-recorder when used in train control territory.

The push-pull arrangement is said to pay for itself in reduced maintenance. The equipment will function through tubing with bends of 10-in. radius, provided not more than three such bends

are required. This tubing can be applied under the jacket of the boiler or clamped to other piping along or underneath the running board.

### NEW TRUCK SPRING SNUBBER

A new Class C-4-S truck-spring snubber, recently developed by W. H. Miner, Inc., Chicago, was approved after more than 50,000 miles of road testing during 1949, these tests being supplemented by extensive laboratory research. All of the snubber tests were made under actual travel conditions in a conventional box car loaded in an approved manner, and Miner Impactographs were placed at each end of the car to record the complete characteristics of the rides. The device also was tested by the Association of American Railroads in October, 1949.

This entirely new shock absorber exercises control over vertical and lateral car oscillations, designed to insure a flowing and shock-proof ride. Large frictional surfaces of the shoes are provided to give low unit bearing pressures essential to minimizing wear. The cylinder is made of heat-treated steel to the same specifications as conventional Miner friction draft gears, and the three friction shoes are case-hardened steel, making them wear-resistant to provide efficient snubbing for an extended period of service life.

This device has a travel of 1½ in. and





measures 8¼ in. in height. It is interchangeable with A.A.R. springs, Classes C, D, H, C-2, D-2, and H-2, and can, therefore, be installed in new or existing equipment, requiring no special truck side frames. The snubber is held in its assembled position by locking engagement between the shoes and the cylinder.

The C-4-S Snubber supercedes previous Miner designs, but component parts of the latter are available for reclamation programs.



## TIME STAMP

The Eclipse Time Stamp, a product of the A. D. Joslin Manufacturing Company, Manistee, Mich., is back in production for the first time since before the war. The postwar model, the manufacturer reports, is virtually a new product since it contains a completely redesigned clock movement with jeweled balance. Available with either stem or key setting, it indicates the day of month, year, and exact time—a.m. or p.m.—together with optional notations such as "received," "acknowledged" or "answered."

## SEAMLESS SHELLS FOR EXTINGUISHERS

As a result of production changes the 2½-gal. foam, soda-acid and cartridge-operated fire extinguishers produced by Pyrene Manufacturing Company, Newark, N. J., are now available in seamless drawn-steel construction, at the same price as the former standard riveted steel extinguishers. These seamless extinguishers all pass a 500-lb. hydrostatic

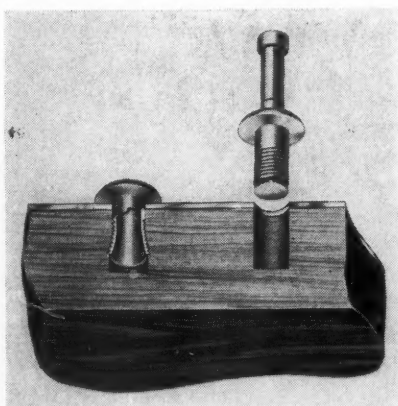


pressure test as contrasted with the 350-lb. test for riveted units. In addition to the added strength and longer life, the new extinguishers are described as being far more attractive, with highly polished alloy shells and no dome or side seams. The extinguishers also have tough transparent plastic nozzles which are reported to be highly resistant to damage or distortion and to permit quick visual inspection to determine whether nozzle openings are clean and unobstructed.

The cartridge-operated extinguishers of this new construction are of the plain water and the anti-freeze solution types. All of the improved extinguishers are inspected and labeled by Underwriters' Laboratories and approved by Factory Mutual Engineering Division.

## SERRATED SHANK RIVETS

Rivets with annular serrations are particularly well adapted to wood, metal to wood, and soft metal applications.



The illustration shows this development of the Cherry Rivet Company, 231 Winstont st., Los Angeles 13, Cal. In hard woods, where driving wood screws is of-

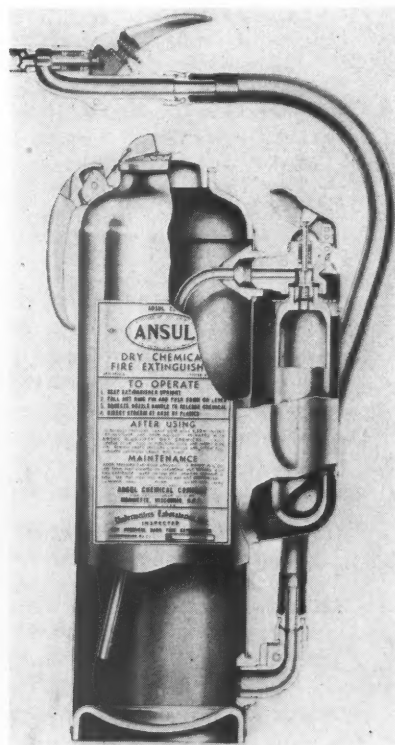
ten difficult, the serrated shank rivet provides a tight, permanent joint easily set up and fastened. When these rivets are used in soft metal, they eliminate tapping and the special inserts often needed with other fastening methods.

In wood, the rivets will carry a tensile load limited only by the strength of the wood in question. In tests conducted with aluminum castings, the serrated Pull-Through Hollow Rivet failed in tension without pulling out of the hole. The reason for its high pull-out resistance is explained by the "bite" into the material of the serrated lower section of the rivet shank.

Either Self-Plugging or Pull-Through Hollow Rivets of the standard types can be made up with serrated shanks on special order.

## DRY CHEMICAL FIRE EXTINGUISHER

A new model dry chemical fire extinguisher is now available in 20 lb. and 30 lb. sizes from the Ansul Chemical Company, Marinette, Wis. Changes in design from earlier models make the new unit more dependable and easier to maintain, the manufacturer reports. Specially designed seals inside the nozzle and the cartridge receiver have made those two parts watertight, it is said, thus preventing some possible failures. The dry chemical is suitable for fighting fires in flammable liquids, gas and electrical fires.



## SELF-EVIDENT TRUTHS

These certain truths about transportation in the United States we hold to be self-evident:

- That the fullest development of our national economy requires the utilization of all forms of transportation, each operating in its economic sphere, and each synchronized and coordinated with the other.
- That healthy, vigorous railroads are indispensable as an arm of national defense and as the most important weapon in the continuing war for international economic supremacy.
- That history teaches the necessary degree of vitality in this greatest of our public utilities can be attained only under a system of free enterprise with a minimum of government regulation—and no political interference.
- That the highway trucking industry is in a state of semi-regulated confusion and threatens the orderly development of a well integrated and economically sound system of transportation that will best serve the needs of our economy.
- That the time has arrived for the highway trucking industry to be subjected to the same careful scrutiny as were the railroads a half century ago, and that its place as a mature industry be determined and be so regulated.

### We believe:

- That railroad managements are not entirely blameless for their present plight.
- That a necessary first step in meeting highway competition is a carefully planned program of rate adjustments.
- That railroad management can, with the sympathetic understanding and help of the shipping public, find the correct answers to their major problems.
- That taxpayers should be protected by freezing load limits for highway transportation at the present levels until costs for commercial use of public highways can be accurately determined, and charges and fees assessed on the basis of use.
- That there is urgent need for more effective policing of load-limit laws to protect our enormous investment in public roads.
- That the situation is not hopeless—that generous and unselfish support by all industry and users of transportation services will find the correct solution.

Now—to give point to the sincerity of our convictions on this matter of rail and highway transportation, let me add one word.

For the past two years this subject has had intensive study in the company I represent. On December 6, 1949, our studies led to the announcement of policy to our management and traffic personnel which said, in effect:

- (1) Railroads are to be used for all Westinghouse shipments unless trucks offer important advantages in service or lower rates.
- (2) Whenever truck rates are lower than rail rates, the railroads are to be given an opportunity to make adjustment which will enable us to ship by rail at competitive rates.

This expresses our wish for the welfare of the railroads.

## TRANSPORTATION BY

A long time ago railroad operating managements learned that heavily loaded cars, supported by adequate rails and road beds, increased net operating revenues. Highway trucking companies have borrowed from the experience of the railroads in that they have constantly acquired bigger and bigger trucks carrying heavier and still heavier loads. Doubtless, as with the railroads, this increased capacity has increased revenues. Unlike the railroads, the trucking companies assume no responsibility for the building and maintenance of their highways. The increase in weight of trucks has far outstripped the capacity of highways to sustain such heavy loads. This means that the public investment in our highway system is being dissipated far beyond the benefit that accrues to the public or to general industry.

Westinghouse Electric Corporation has a threefold interest in railroads. First, we rely on rail carriers for an essential service in bringing to us raw materials for our operations and in the delivery of our products. In 1948 Westinghouse paid a total of \$40,500,000 for transportation.

Second, Westinghouse is affected by the general economic climate of the country. In the determination of this climate the economic status of the railroads is an important factor. The 1949 payroll of the railroads was \$4.4 billion, and railroad purchases during 1949 were about \$967 million for equipment and \$1.8 billion for fuel, forest products, and other materials and supplies. This aggregate of more than \$7 billion is, in itself, an appreciable sum. The further circulation of this amount of money in every nook and cranny of our country multiplies its influence many times. There is no doubt that railway expenditures are importantly reflected in the general economic climate.

Third, Westinghouse looks to the railroads as an important market for its products.

### Taxes Provide Transport Facilities

Based on these premises, Westinghouse has a considerable stake in the welfare of the railroads. It is to the interest of Westinghouse, therefore, to assist in promoting policies helpful to the railroads. One avenue through which much-needed assistance can be extended to the railroads is by active leadership and cooperation in minimizing the existing unfair competition. We believe some of the circumstances favoring use of highways by heavy trucks to be unfair to other forms of transportation and contrary to the public interest. It is this belief I wish to discuss. And please bear in mind that in speaking of highway transportation I mean *over-the-road commercial carriers*—not trucks belonging to farmers, those used for local pickup and delivery, United States mail, etc.

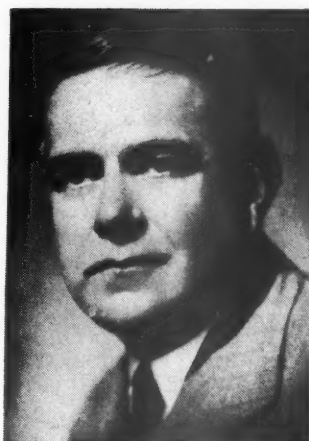
This article is an abstract of an address delivered before the Western Railway Club at Chicago on March 20.

# TAXATION—A USER'S VIEW

✓ By **ANDREW H. PHELPS**

Vice-President  
Westinghouse Electric Corporation

*Pittsburgh, Pa.*



Bachrach

Aided by government subsidies of one kind or another, other types of carriers are diverting from the rails a large volume of traffic, to the serious injury of the railroads. Unless this situation is remedied before materially greater damage has been done, there is a grave threat to the continuance of rail transportation in this country as a private enterprise. We must depend upon the railroads to help hold the front-line trenches of industry against nationalization.

The country needs adequate, efficient, and dependable railway service. To keep pace with this need the railroads must continue to expand and improve their plants and facilities. The necessary money can only come from earnings or from investors attracted by earnings. Current net railroad earnings are inadequate. For the 12 months ended December 31, 1949, they were at the rate of only 2.91 per cent on net (depreciated) investment. Unless money is steadily forthcoming for continued improvements, the cry is sure to be raised that railway deficiencies are impeding national economic progress, that private enterprise cannot obtain the necessary capital, and that the government therefore must nationalize the railroads. It was by this route that transport nationalization came to Great Britain.

Rail and pipeline transportation are the only types of common-carrier service which, out of their own funds derived from the sale of their services, provide and pay taxes on all the facilities used in their operations. Highway, inland water, and air carriers use public facilities without paying full value for the benefits obtained. This constitutes a transfer to the taxpayers of part of the real costs of providing their services. These carriers thereby gain an advantage over the railroads, which is increasingly reflected in diversions of rail traffic.

Subsidies in one form or another are provided from general public revenues and, therefore, amount in a very real sense to transportation by taxation. They are received by highway, water, and air carriers in varying degrees of amount and importance. Probably the major harm to the railroads comes from the effects of tax-supported highway transportation. The same principle, however, applies to all forms of transportation by taxation.

## **Railroads Injured Two Ways**

The injury to railroads through traffic diversions to these tax-aided carriers is twofold. First, government provides the major share of facilities used by commercial truckers, charging inadequate fees for benefits afforded. Second, by reason of difference in regulation, the aided carrier is able to make maximum use of his

cost advantage through restricting his operations to the most profitable and advantageous traffic, leaving what he considers the less remunerative and less attractive tonnage to the railroads. The railroads are at a disadvantage in yet another way, but one which is a matter of local rather than of general national policy. Through inadequate policing and enforcement, commercial truckers often are able to evade laws and regulations pertaining to overloads.

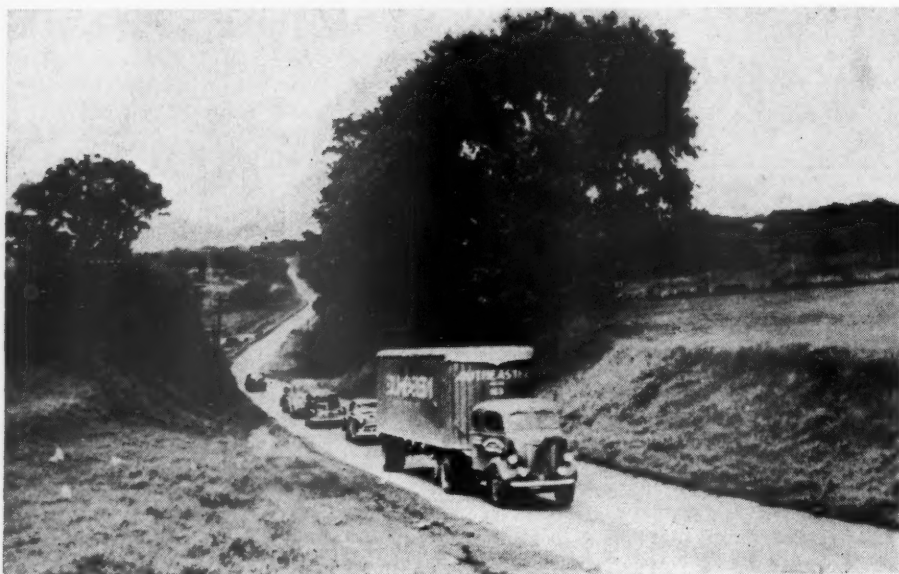
The advantage derived by trucks from their use of publicly owned facilities at present fees is readily demonstrated. In 1948, 22 per cent of the railroads' total revenues from freight service were assignable to the cost of ownership and maintenance of their roadway and tracks. This includes a return on investment figured at 4 per cent and excludes costs for buildings and structures and other items not comparable with highways used by commercial truckers. By contrast, payments by 1,605 commercial intercity truckers reporting to the Interstate Commerce Commission in 1948 amounted to only 3.2 per cent of their total freight revenue. This included both their payments for highway use and such real taxes for the support of general governmental functions as were paid by those operators. The difference in cost between the rail figure of 22 per cent and the truck figure of 3.2 per cent of freight revenues for comparable facilities tells its own story of competitive advantage.

## **Big Trucks Escape Fair Share of Costs**

It is a matter of common observation, as well as of highway-transport economics, that the long-distance trucker—the type which is most hurtful to the railroads—tends to use large and heavy vehicles. A careful survey recently made under the auspices of a committee of the state senate of California showed heavy vehicles to be responsible for 55 per cent of the cost of constructing state highways, 45 per cent of highway maintenance and administration costs, and an average of 52 per cent of all expenditures. By contrast, said the survey, "their estimated user payments under the present tax system amount to less than 35 per cent of the total."

According to another recent survey made for the state of Illinois, "the tax and license charges on passenger cars are calculated to a rough average of \$0.15 per 100





American motorists will continue to play "follow the leader" until they shell out billions of dollars to reduce highway grades; or, more logically and much more cheaply, insist that truck load limits be sharply reduced

Acme News

ton-miles, while the charges for a 55,000-lb. truck average about \$0.06 per 100 ton-miles."

Further evidence to the same general effect is contained in the report on Public Aids to Domestic Transportation by the Board of Investigation and Research, an agency created under provisions of the Transportation Act of 1940. As a result of an intensive study based upon the year 1940, the staff report found that the ratios of highway user payments to assigned costs were 61 per cent for trucking combinations and 72 per cent for trucks of 5 tons and over.

There is abundant and authoritative evidence that the maximum sizes and weights of trucks now specified by the laws of many states are too high—and the enforcement of these laws is quite inadequate—for proper protection of the public investment in the highways. For example, Commissioner Thomas N. MacDonald, in an address before the American Road Builders Association on February 7, 1949, said:

Specifically we are overloading our highways in their traffic volume capacity and in their structural capacity . . . the results are so costly both to individuals and to the public that they total a disgraceful and extravagant waste in the nation's true economy.

On the same occasion, he also said:

From the testimony of these and other highway studies, it is apparent that a relatively small number of extra-large and extra-heavy trucks are imposing an undue burden upon the highways and their other users.

The American Automobile Association said on February 17, 1949:

Billions of dollars worth of the nation's finest highways are being pounded to pieces by overweight and overloaded commercial vehicles.

Much other evidence to the same effect from the highway departments of various states can be cited.

### **Truckers Pick and Choose Hauls**

In addition to the cost advantage afforded by the use of public facilities without full payment, the commercial trucker enjoys a further advantage over the railroads in consequence of differing regulatory requirements. The railroads are true common carriers, accept-

ing raw material, finished products, or any other freight offered, to move from any rail origin to any rail destination. It is this all-inclusive character of railway service—the willingness and ability to accept and transport for any distance low-grade raw materials as well as high-grade finished products—which is the basis for the indispensability of the railroads to industry.

In contrast, trucks are not required to operate as true common carriers on a similar basis. They can and do restrict their operations to points between which they believe there is a profitable volume of traffic moving, and they further restrict their traffic to those items most profitable from a revenue standpoint. In general, they prefer to handle only commodities of relatively high density and value. Thus they obtain relatively high revenues per ton-mile and per truck-mile. Operating on this "pick and choose" basis, commercial truckers solicit and accept only the high-grade manufactured products of industry, leaving to the railroads the lower-rated but nonetheless indispensable assembly of raw and semi-finished materials. It is rare indeed that a trucker will be found who is interested in handling, or can be induced to haul, these latter materials. Steel, which moves in enormous tonnages, is an exception.

In competing for high-grade products, the trucker is often able to quote lower rates for selected traffic items because of two factors. The first, already mentioned, is that part of the trucker's cost is met from general taxation, through the use of public facilities without adequate payment therefor. We have seen that this difference in 1948 approximates 19 cents per freight revenue dollar received. The second factor is that, with no interest in or responsibility for the movement of low-grade raw materials and other essentials of production, the trucker has a wider average margin between revenues and costs of service and can afford to shade the rail rates for the high-class traffic enough to obtain the haul.

There is no need to dwell at length upon the importance to heavy industry of safeguarding the railroads in this situation. One has only to consider what would be the plight of

such an industry if it were forced to rely upon trucking service for all of its raw material and other production hauls, as well as for the distribution of manufactured products. The choice lies between a universal, indispensable, all-around rail service and a highly restricted and specialized truck service, which can ruin but never replace rail service.

### Inadequate Enforcement

Mention has been made of the important relationship between weight and profitability of load as a factor in the economics of truck transport. Out of this relationship has grown a widespread tendency for long-distance truckers to load beyond the maximum weights fixed by state laws. In other words, they overload to squeeze out extra profit.

The answer to this problem of overloads is, of course, effective state, county, and municipal enforcement of legal road limits. There are difficulties in the way of such enforcement, but none which cannot be overcome. The main difficulty is our extensive highway network. Funds for the employment of enforcement officers always are limited, and it is out of the question to police all the highways all the time. Truckers take advantage of this situation by using alternate routes.

The risk of overloading is considered worth taking since the penalties are small. In March, 1949, at Bethlehem, Pa., authorities halted a truck loaded with steel to a gross weight of 132,000 lb., when the legal maximum was 45,000 lb. Police authorities declared that a conservative estimate of the damage done to the highways by this one overload was \$15,000. However, the maximum penalty under the law was \$50 and costs. The driver was not even required to reduce his load to the legal limit; he was allowed to take it on into New Jersey, after being handed a summons to appear before a justice of the peace within 30 days. Records show that the same man's trucks had been stopped twice previously in Pennsylvania with overloads.

There are certain things which users of transportation can and should do for the improvement of these conditions. One is to assume leadership in stimulating awareness of these conditions and of the necessity, in their own interest, to remedy the damage caused to railroads. There is scarcely an industry in the country—certainly not a heavy industry—which could operate without adequate, efficient, and economical railway service. Anything which injures the railroads is harmful to industry. This is true even of industries directly concerned with the manufacture of trucks; the raw materials for these vehicles could not be assembled at anything like present costs except by the use of railway service. And heavy industry would be in the forefront of those to be injured by a trend toward nationalization.

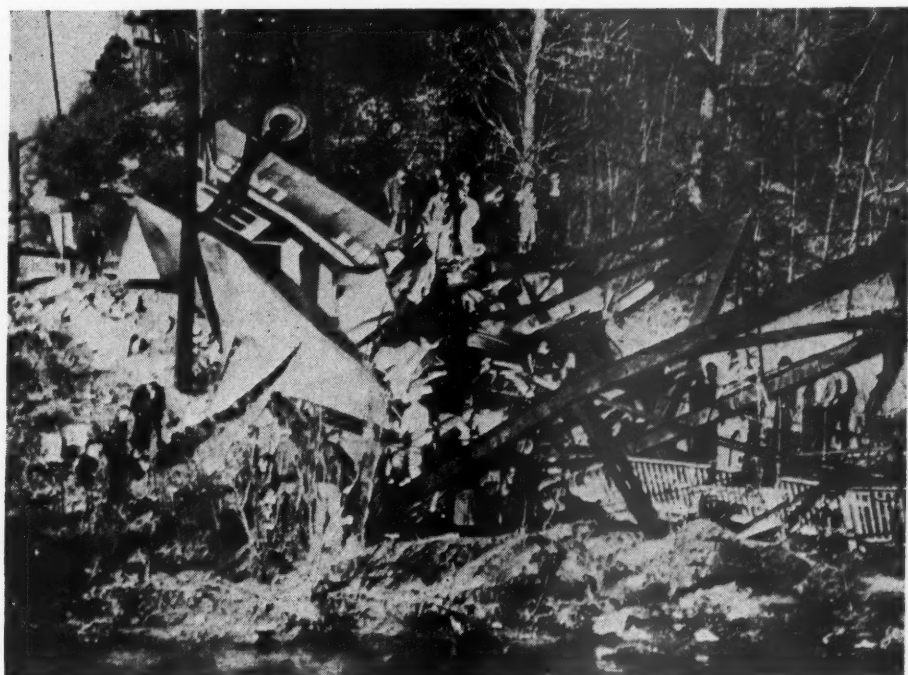
The enforcement of laws against overloads is a matter for action at the local level. State laws and municipal ordinances could well be strengthened and penalties increased.

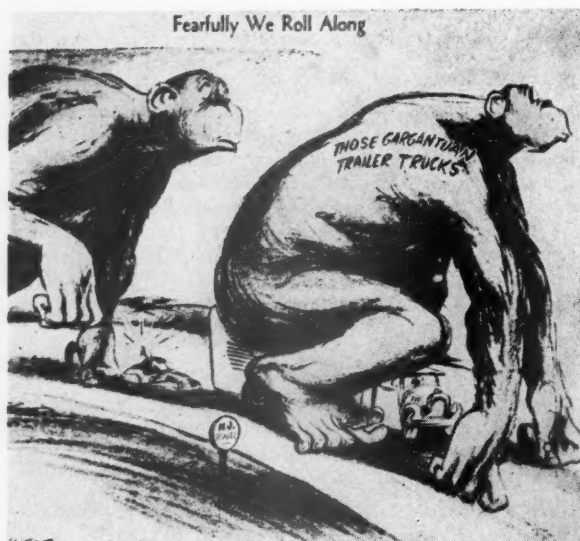
On the legislative level, the most important and helpful step would be to support the enactment of legislation requiring all commercial truckers to pay for their use of highways on a basis commensurate with the cost of the facilities necessary for their operation. One practical step would be the elimination from the Federal Highway Act of 1916 (and amendments) of the restriction against collecting tolls on highways financed in part by federal funds, at least in so far as relates to commercial use of the highways. There is no sound or logical reason why those utilizing public highways for private profit should not pay their full costs. It is manifestly unjust to allow public facilities—highway, river, or other—to be used on terms which create unfair competition with railroads.

At the same time, there should be such restrictions on truck sizes, weights, and speed as are necessary to prevent injury to the public highways and to protect the public safety. Operation of large trucks should be barred by law except on highways specially designed to sustain their weight. They should likewise be required

Here's what a long-distance commercial truck did to a public highway bridge out in Indiana not long ago. In neighboring Ohio, such heavy trucks are said to have accounted for 37 state highway bridge failures in 1948, and 33 complete and 70 partial failures in the first 11 months of 1949

Wide World Photos





Newark, N. J., Evening News

to pay fees which would *fully compensate for the increased cost* of constructing such highways over and above the cost if designed for ordinary vehicles. Alternatively, the operators of such trucks might be required to provide their own highways designed for such traffic. If it be argued that the truckers could not afford to continue to serve in the face of such restrictions, then the obvious answer is that the service now rendered lacks economic justification and that they should not in justice be allowed to continue it, making others help pay their way by shouldering a portion of the costs.

Certainly there is no sound justification for the imposition of a heavy burden upon other highway users or upon the general taxpayers to provide special highways for big trucks and to pay for repairing the damage they do to the highways. The point of special interest for present purposes is that it is mainly, if not entirely, through the use of these big trucks that the operators are able to stay in business, compete with, and often undersell the railroads.

Again, there is sound justification in the public interest for efforts to overcome the present ability of commercial highway carriers to "pick and choose" their freight.

If a trucker wishes to enjoy the benefits of certification as a common carrier, it would appear to be entirely proper that he should be a common carrier *in fact*, as well as in name. He should be required to accept any and all freight within the physical capacity of his equipment to handle, and not permitted to skim merely the cream of the traffic.

From this circumstance stems a strong incentive for all forms of industry, and especially heavy industry, to cooperate in remedying conditions which have led to present inroads on rail traffic by publicly aided carriers. Heavy industry depends upon railroads for assembly of its raw materials. In general, these raw materials are of relatively low value and therefore move by rail at relatively low rates. However, it must be obvious that as a private enterprise a railroad has to live and pay its expenses out of its moving traffic. Only the governmentally operated enterprise, with access to the public treasury, can be indifferent to the relation

between revenue and expense. If the choicer elements of traffic yielding greatest profits are taken from the railroads by publicly aided competitors, it must necessarily follow that the railroads will be compelled to recoup the loss by raising their rates on the low-grade traffic remaining, which in most cases can move only by rail. This means higher production costs for industry.

### Suggestions for the Railroads

In addition to what others may do to aid the railroads, there are certain things which railroad management can also do—and must do—in the direction of self-aid.

In periods past there appeared to many in the field of railroad management no serious threat in increased costs resulting from increases in wage rates or from progressively restrictive rules. An appeal to regulatory authority for higher rates could well be urged upon the basis of increased labor costs. But, as competition has become more potent, this escape has been increasingly blocked. There can be little doubt but that recent increases in railroad rates have resulted in a disturbing shift of traffic to competitors. Further increases in labor costs could well prove disastrous to the railroads. Railroad management must exert every effort to forego increases and, in this, should have the full support not only of the shipping public but also of the public at large.

Railroads must explore earnestly and constantly all possible avenues that lead to reduction of costs. While individualism must not be throttled, because from competition among railroads have come major gains to shipper and public alike, individualism must not stand in the way of such measures of cooperation as will reduce costs.

Then, too, railroad management should explore all possible avenues to increased efficiency. To this need management has become increasingly alert, as is evidenced by progressive Dieselization, by increased mechanization, and by other developments. Yet, even more must be done if existing threats are to be effectively met. Never did the railroads have more pressing need of discerning leadership than today.

Since the success of competitive forms of transport is due to service rendered, quite as much as to rates charged, accustomed methods of procedure and performance must at all points be challenged. Operations within terminals, the movement of freight cars within and through yards result in long delays. It is a known fact among shippers that there are wide differences among railroads in matters of service. There seems to be no reason why the performance of the laggards should not approximate that of the best with respect to service matters.

Still further improvement in the safe handling of freight must be effected. Much has been done since the war. Shippers have given, and will continue to give, a large measure of assistance by adequate packing and stowing. The railroads, through improved supervision and careful education, can reduce the tremendous costs of loss and damage claims. By way of illustration, one company was suffering excessive damage claims on a nationally distributed product. Analysis showed that half of all loss and damage suffered occurred to shipments which moved in connection with one small terminal line. When the management of this terminal



carrier was alerted, steps were taken which almost overnight eliminated half the damage claims on this product.

Some railroads have sought to supplement rail operations with operations upon the highway for local pick-up and delivery. This has often resulted in improved service and reduction of costs. Greater efforts along this line should be made by railroad management to coordinate highway and rail service to provide a complete and speedy service to the shipper. Either through a greater degree of coordination, or integration under single ownership, such joint operations should be extended. This policy should be urged strongly by management upon regulatory bodies, both federal and state. The assistance of shippers and the public can be enlisted to support legislation to remove all barriers against coordination or integration that can be shown to be in the public interest. The National Industrial Traffic League, a nationwide organization of large shippers, is on record in favor of such coordination within a carrier's territory.

The ultimate impact upon the railroads of competition from other forms of publicly aided transportation was not seen in earlier years, even dimly, except perhaps by the evangelists of these newer forms. Even when it became clear that the truck, for example, was to become an important competitor, it was assumed that it would "find its own level" in short-haul and local less-truckload service. Yet the railroads now face truck competition that skims the cream of the traffic—moving high-grade freight—between the east and west coasts.

*All hope for the railroads is not lost. They can do a very great deal in curing their own ills.*

First, it must be recognized that trucks have a definite and proper place in transportation. They provide speed and service on short hauls. The railroads may, perhaps to their own advantage, adjust rates to encourage trucks in the short haul and to discourage them on the long haul.

Second, the level of class rates is generally out of adjustment with commodity rates. Certainly successive increases in rail rates aggregating approximately 57 per cent since the war are conservative when compared to other price increases. The four general rate increases granted since the war have been percentage increases, however, with the result that charges upon the high-rated traffic now are out of line and make that traffic most attractive to trucks.

For example, it probably costs a railroad little more, if any, to transport a carload containing 100,000 lb. of machinery from New York to Los Angeles than it costs to move a 30,000-lb. carload of carrots. Yet the carload of machinery would pay \$3,660 in freight charges, while the carrots would pay \$603, or about one-sixth as much. The carrots would move in expedited freight service, obviously more costly to the railroads, would require extra switching for service en route, and would require a more costly type of car.

Let us take another example. A carload of oranges weighing 39,200 lb. moving across the United States would pay \$694 in freight charges. A carload of ordinary lamp bulbs weighing 15,000 lb., less than half as much, would pay \$716. The carload of fruit requires a special-type car far more costly than that required for lamp bulbs.

A 60,000-lb. carload of lumber moving from Baker,

Ore., to Jersey City, N. J., would pay \$716 in freight charges. The same weight of elevator machinery moving the same distance would pay \$2,196. Trucks would not haul the lumber, but they do solicit the machinery which pays a rate three times higher.

What can be the result if the railroads leave themselves exposed to the loss of their profitable traffic to the motor carriers? There is one inevitable result of operating a business without profit.

On this subject of what traffic pays the cost of running the railroads, a recent study released by the I.C.C. is enlightening. It shows that products of agriculture, which represent 16.5 per cent of the total ton-miles of revenue traffic, bear only 9.3 per cent of the overhead burden of the railroads. Products of agriculture are generally low rated and have not had percentage rate increases applied as generously as manufactured and miscellaneous products. In contrast, "manufactures and miscellaneous," which account for 34.9 per cent of the revenue ton-miles of railroad traffic, account for 62.7 per cent of rail carriers' overhead burden. The study shows also that the products of forests and mines bear an insufficient share of the overhead burden. This is obviously unfair. The products of our mills are now giving a free ride to the products of our farms, forests, and mines.

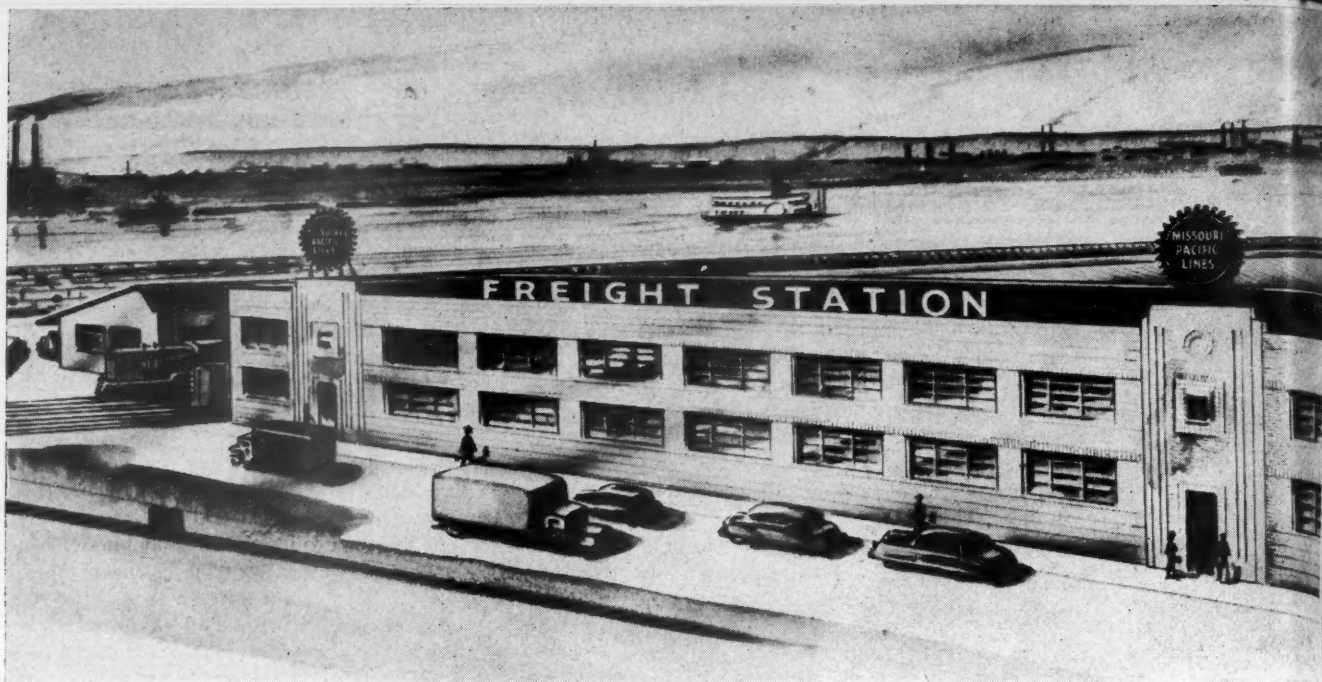
By reason of recent freight rate increases, it is presumed that low-rated products now pay their own way—or more nearly pay their own way. Is it unreasonable to expect that high-rated products of our mills—some might say overrated—should be adjusted to meet competition? Such a move would be in the interest of the railroads, or of industry at large.

This situation would not be so alarming were it not for the fact that this most desirable of all traffic, the high-rated manufactured goods, is being most actively sought and is shifting from the rails to highway transportation.

This rate situation is not without hope. In fact, railroad managements are beginning to show aggressiveness in making adjustments. The I.C.C. is encouraging this. A release of the commission on August 11, 1949, announcing approval of the latest freight rate increases, admonishes the railroads to "devise and suggest for the consideration of the shipping public rates which will correct maladjustments." The commission says further "the cumulative effect of rate increases . . . tends to divert and suppress traffic."

Next, railroads can and must improve their service. It is imperative that they do so to prevent further inroads on their desirable traffic by highway competition. It should be borne in mind by railroad management that it will not be easy to regain traffic that is lost by reason of poor service.

It is a high tribute to business generally that the railroads were given a generous measure of support in their applications for rate increases, up to and including the last. This support was given in a spirit of unselfish fairness and with a firm conviction of the essential need of the railroads and the indispensability to industry of adequate rail service. It is reasonable to expect that the railroads will show the same measure of interest in promoting rates that will keep their most desirable traffic on the rails. But ahead of the managements of both industry and railroads lie difficult tasks, earlier outlined, that must be performed promptly and effectively if the basic interests of the two, also of the public at large, are to be served properly.



## ST. LOUIS SHIPPERS TO GET NEW FREIGHT FACILITY

*Faster handling of merchandise will be made possible by new modern station planned by the Missouri Pacific to replace the two widely separated structures now used*

Shippers and receivers of freight in St. Louis, Mo., are expected to realize important benefits as a result of the construction there by the Missouri Pacific this year of a large modern freight station, at a cost of more than \$1½ million. It is anticipated that the new facility will not only expedite the handling of freight by concentrating under one roof work now performed at two stations located a mile apart, but will also materially reduce freight loss and damage because shipments will be handled fewer times. In addition, quick sorting, loading and unloading of freight will result from the utilization at the new freight house of a larger assortment of mechanized equipment and through the use of modern communication facilities.

The consolidated freight station, to be known as the Miller Street freight station, will be built on property already owned by the Missouri Pacific and will occupy approximately three city blocks, fronting on Miller street on the north and extending to Carroll street on the south, and flanked on the west by Kosciusko street and on the east by the Lesperance Street yard. This location will be greatly improved in accessibility by surrounding the new structure on three sides by paved driveways ranging in width from 50 to 75 ft. and having lengths on the east and west sides of 980 ft. and 920 ft., respectively.

The two existing freight houses that will be replaced are the Gratiot Street and the Poplar Street stations (see map). Under the present freight-handling system, the Gratiot Street station, which was built prior to 1888 as the St. Louis freight terminal of the old St. Louis, Iron Mountain & Southern, generally receives outbound freight destined to the south and southwest, while the Poplar Street station, which was built about 1879 by

the Missouri Pacific, handles merchandise destined for western points. However, a frequent occurrence is for shippers to make delivery of shipments for mixed destinations at one of these stations, in which event the railroad either has to transfer part of the freight by truck or trap car to the other station or, if the amount is sufficiently large, a car is loaded for a destination out of the territory normally served by the particular freight house. The crosstown transfer of freight, which is the method usually employed, entails delays in forwarding shipments which will be avoided when the new freight station is placed in service.

*(Continued on page 58)*

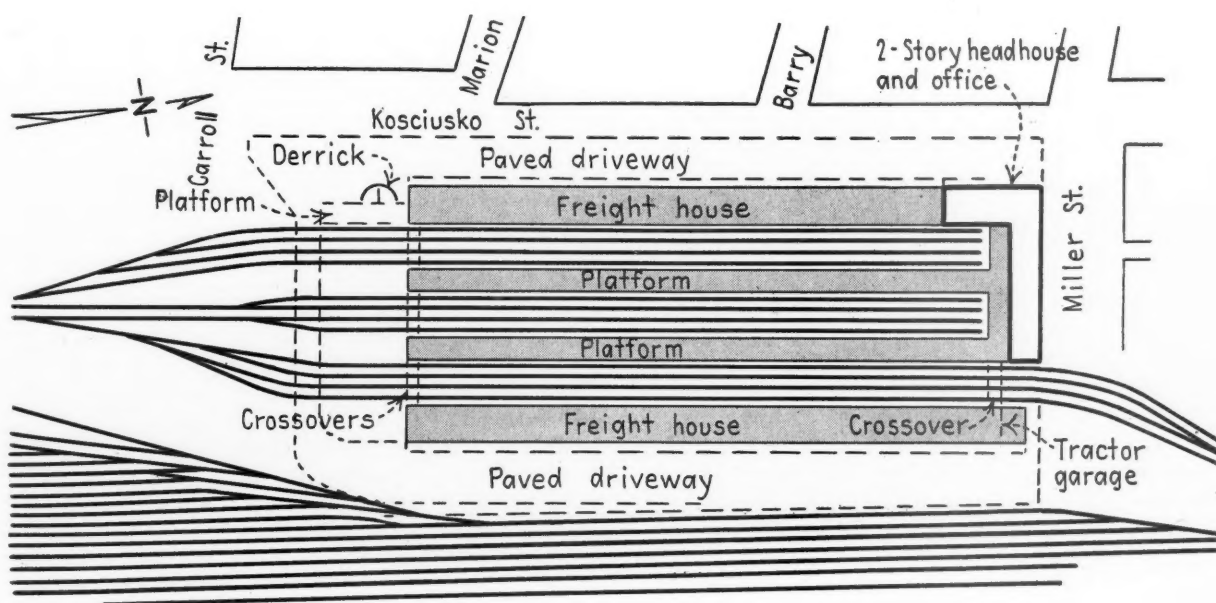
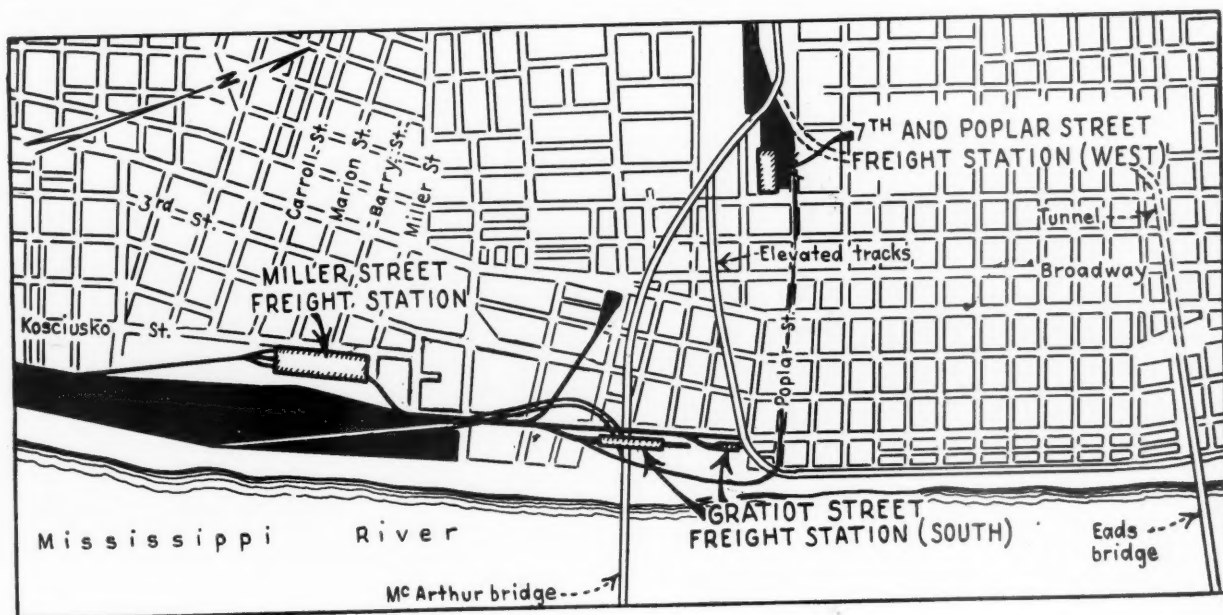
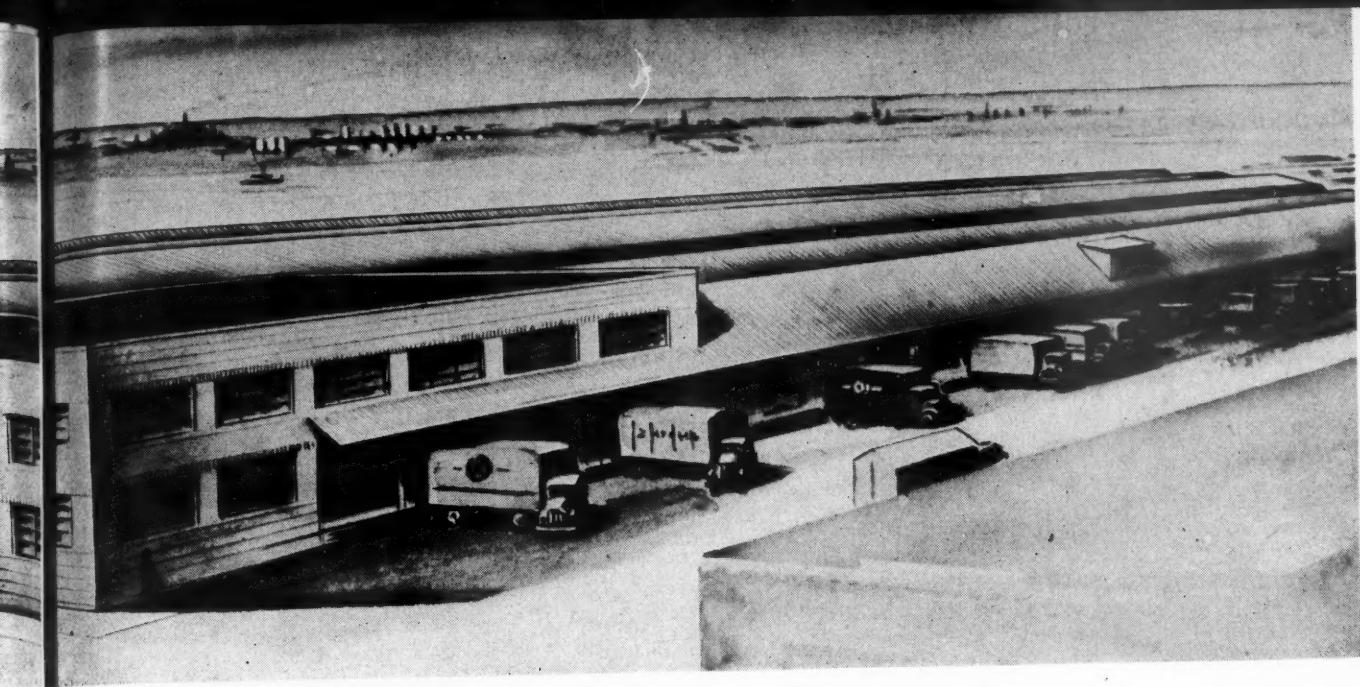
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Top—Artist's conception of the large freight station to be built by the Missouri Pacific at St. Louis. The new facility will be of fire-resistant construction and highly mechanized

Facing page, center—When built, the Miller Street freight station will combine under one roof freight-handling activities now carried on at the separated Gratiot Street and Poplar Street stations, thus avoiding delays to shipments occasioned by the cross-town transfer of freight between the two old stations

Facing page, bottom—Lift-type crossover bridges will permit the efficient use of mechanized equipment within the station. The 12 tracks will give a house capacity of 180 cars







Right—The loading dock at General Foods' Toledo warehouse

Below—Mechanical handling equipment is used to take advantage of vertical space at all warehouses, as in this operation at Toledo



## REVOLUTIONARY Merchandise Distribution Plan WORKS

By A. C. SCHIER  
Vice-President, Traffic  
General Foods

**Plan devised to make it easier for its customers  
to want to do more business with General Foods  
—Good rail service has made it a success**

The railroads, General Foods and that firm's customers all are profiting from the new distribution plan now operative at our Toledo, Ohio, Camp Hill, Pa., and Jersey City, N. J., transit warehouses. For the railroads, this plan secures 100 per cent of the freight shipped into and out of these points, where formerly they were getting a considerably smaller portion of our business, when distribution was direct from our plants to our customers. To General Foods, it provides the opportunity to sell and deliver all its products at one time. Also, this plan—coupled with the exceptionally fine railroad freight service being given from these transit warehouses to our customers—has resulted in increased product sales for us and increased tonnage for the carriers. This distribution plan is attractive to General Foods' customers because it permits delivery of each customer order, as ordered, in one car, direct to his private siding within a short time after the order is placed. This minimizes customer inventories, increases product turnover, thus assuring freshness of product, and eliminates the dealer's out-of-stock problems.

Previous to the inception of this plan, General Foods was faced with what seemed an almost insuperable transportation problem, namely, one of trying to supply wholesale grocers all over the country with a variety of products coming from many plants in an equally widespread area. It was hard for our customers to do business with us. The wholesale grocer (we deal with no retailers) had three choices if he wanted to take quantities of our products, viz.: 1) he could take a carload of each of our products; (2) he could go into a pool car arrangement with other grocers, so that he could procure only a part carload of each product; or (3) he could purchase l.c.l. lots of the various products. The first alternative meant a great deal of money tied up in inventories, money most of our customers could not afford. The pool car arrangement, or l.c.l. shipments of coffee, cereals, dog foods, etc., also presented many obvious distribution problems. It became apparent to us that if our business was to continue to prosper we would have to make it easier for more customers to want to do more business with General Foods. Hence the establishment of the distribution centers, located to permit speedy delivery of customer orders.

Our plan was that to these warehouses our many products would be shipped in carload lots. Outbound shipments would be made in mixed carload lots from the transit warehouses. These mixed cars would be shipped direct to one wholesaler, or a mixed pool car would be loaded for a group of wholesalers. The pool cars would

Everything is palletized at General Foods warehouses

break bulk at specified points. Railroad granting of the mixing privilege and the principle of storage in transit made it possible for us to carry out our plan.

After the railroads had granted us the storing and mixing-in-transit privileges the next problem was to secure speedy and reliable service. That this has been given us by the carriers should be clear from the fact that an average of 4.7 days elapses from the day when the district sales office mails the order to the warehouse until the car is at the customer's siding.

Our system works out as follows, from the traffic point of view. Products manufactured at our various plants are shipped to the transit warehouse in carload lots, with the carload rate to that point applicable. (Through carload rates have been set up between all plants shipping to the warehouses and all points in the territory served by each warehouse.) Shipment outbound is in mixed carloads, with each commodity in the outbound car going to destination at its respective through carload rate from the producing point to the ultimate destination. Inbound billing at the warehouse thus constitutes a "bank" on which we draw for outbound shipments. The part of the route outbound from each warehouse *must* be part and parcel of every through route from each producing plant to destination.

This new system helped General Foods to lower inventories of products on hand. Coincidentally, we also have been able to eliminate some of the peaks and valleys in our production, because now we can anticipate our customer needs with a reasonable degree of accuracy. Good transportation has played an important part in these accomplishments.

In addition to getting all the business into and out of these warehouses, the railroads also are earning an average of about \$30 per car for in-transit fees. Another way in which the carriers are benefitted as a result of the working of our plan is in turn-around time of cars. At Toledo, in 1949, each car that came into our warehouse was unloaded, reloaded outbound, and ready to pull in an average elapsed time of 17 hours. (From the carrier point of view this is 24 hours. However, we do not use 72 of the 96 hours free time allotted us by the demurrage tariff.) Also, cars—both in and out—are loaded to far above the required minimum weights, thereby building up railroad car-mile earnings, whereas, when we shipped carloads of one commodity direct to customers the load seldom exceeded the minimum carload requirement. That is good utilization of equipment.

Toledo was the first of our warehouses to be opened, having begun serving customers on January 1, 1948.

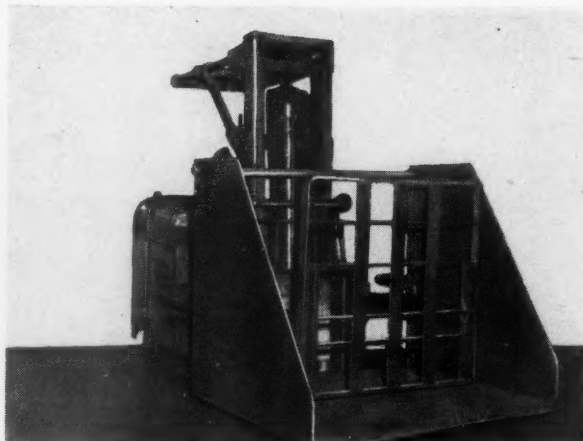


A group of General Foods officers watches George Van Sise, director of distribution operations, sign the first bill of lading as the transit warehouse at Jersey City was opened in March. Back row, left to right: Kenneth Lingo, Dyson Johnson, Robert Pratt, Mr. Schier, and Udell Young. Front row, left to right: George Van Sise, Clarence Goddard and Charles Stewart

This warehouse serves an area of approximately 285,000 sq. mi. Camp Hill was opened for business in August, 1949, and serves an area of about 210,000 sq. mi. The newest of the warehouses is at Jersey City. It handles customer orders in an area of approximately 190,000 sq. mi. The next transit warehouse will be built and operated by General Foods on its property at Kankakee, Ill. Construction is planned to start about April 1, and it is hoped that our products will flow from this warehouse—sometime in the fourth quarter of 1950—into the area of the Western and Southwestern Trunk-line territories. A similar facility at San Leandro, Cal., will serve the Coast and parts of the Inter-mountain area.

This distribution plan has met with very favorable customer acceptance and has brought many benefits to those performing the wholesale function in the distribution of food products.

General Foods' transit warehouse operation is conducted by George Van Sise, director of distribution operations.



Left—Pallets simplify freight handling on the Lackawanna. Right—This scoop, working in coordination with the truck push-off device, facilitates the handling of rubber

## How the Lackawanna Uses SPECIALIZED HANDLING DEVICES

*Hoboken terminal piers move a great variety of export and lighterage freight economically and speedily—Basic tool is fork truck with pusher*

New handling methods in use at the Hoboken (N. J.) terminal piers of the Delaware, Lackawanna & Western, built around fork trucks equipped with a push-off device, have cut that road's handling costs, decreased the hazards to employee safety and cut down the amount of damage to certain classes of freight. (The basic story of this operation was reported in *Railway Age* of October 2, 1948, page 59.) In accomplishing these results several specialized tools (most of them "home-made") have been used, such as a "scoop" for handling rubber, a plate type steel pallet and a dolly and specially made trough (track) for unloading refrigerator cars. Shippers benefit from the savings effected by all these devices which, in 1949, helped the Lackawanna cut the cost of terminal handling some 1¾ million tons of freight by raising its production in tons per man-hour to 2.83, from the 1948 figure of 2.44. (Both figures include the time of supervisory and auxiliary personnel in addition to that of truckers.)

At Hoboken the steel-plate pallet is used, for example, in handling heavy drums of paint or chemicals. Formerly, this operation, when drums were loaded on pallets manually, was productive of wrenched backs and broken toes and fingers. But no longer. A similar plate is used in handling many sacked commodities when the movement is direct from car to lighter or vice versa. (If material is going into storage the take-it-or-leave-it pallet is used.)

In handling sacked commodities such as sugar or coffee, which have a tendency to sag down into the space between the runners of the standard pallet, thus giving the fork truck operator a chance to puncture a bag, this plate has been especially useful, for the occasional puncturing has been eliminated.

The dolly and trough were adopted for unloading refrigerator cars because the narrow doorways of these cars do not admit fork trucks. The Lackawanna formerly employed portable conveyors to get the lading to the doorway, where it was placed on a take-it-or-leave-it pallet for removal to the warehouse or boat. Now the trough is placed in the car and the dolly in the trough. A take-it-or-leave-it pallet is placed on the dolly. Freight is stacked on the pallet and the dolly pushed to the doorway, where either the loaded pallet or the freight alone may be picked up by the truck. When the lading is going direct from car to lighter the freight is lifted from the pallet, while if the material is going to pier storage both pallet and freight are carried away.

The handling of baled rubber always was a back-breaking and dangerous operation until the Lackawanna adopted a scoop for handling that commodity. This scoop may be attached quickly on the forks of the truck. The scoop picks up the rubber, which has been piled manually, and when it reaches the car for loading the push-off device piles the rubber high in the car without any other use of manpower.





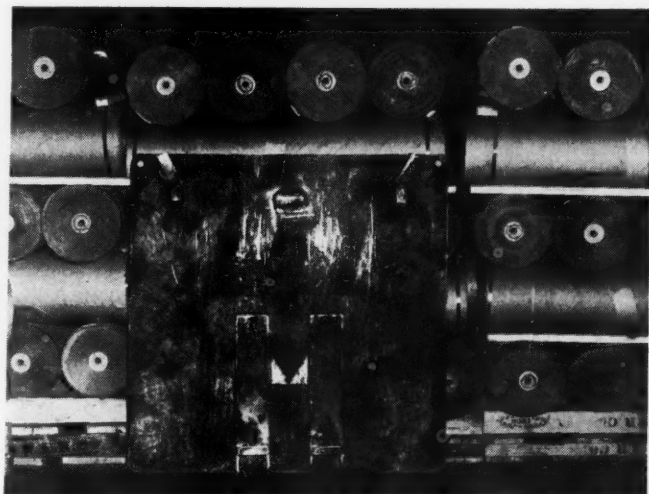
Left—A trough-and-dolly arrangement in place inside a refrigerator car. T-sections are provided so that the dolly rides smoothly in the trough from the end of the car to the doorway. Center—Take-it-or-leave-it pallet being pushed to car doorway for handling by fork truck. This arrangement is saving the Lackawanna about 30 per cent of the man-hours formerly required in unloading refrigerator cars. Right—Detail of the dolly-and-trough construction; casters swivel 360 deg.

Right—Typical load of sacked commodity on steel-plate pallet. To unload, pusher device is activated and the load slides smoothly off the pallet onto the floor of the car or lighter



Below left—The under side of the steel pallet. Shoes at the bottom lock over the forks of the truck

Below right—A steel-plate pallet slightly different from the one used in handling sacked commodities is used in loading and unloading heavy steel drums. In loading this pallet the operator drives straight at the drums, with pusher fully extended. When the push-off makes contact with the drums, the wooden cross-piece strikes first, high up on the drums, tilting them. Once the drums are tilted the operator brings the truck forward and the plate slides under the drums



# TOOLS FOR PERFECT SHIPPING

*Publicity, research, discussion to be marshalled in annual drive to cut \$130 million "Operation Rat-hole"*

**HELP JOHNNY CAREFUL..**



**TRACK  
DOWN**

**LOSS  
DAMAGE**

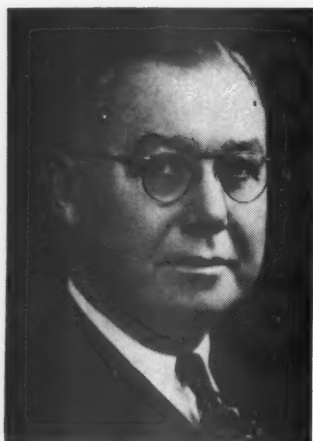
**A**nother Perfect Shipping Month is just around the corner. The fight against loss and damage by the railroads and their customers is an all-year, every-day operation, and the chief weapon in the battle is unremitting attention to a multitude of "little things" which, added up, are accountable for the railroads' total claims bill. Hence, the tools which are now being sharpened for the April drive are not temporary "props" trotted out just for the occasion, and then consigned to moth balls 'til next year. It is rather that the weapons of publicity, research, education and discussion will be given especially intensive use during Perfect Shipping Month.

## **Educational Devices**

"Careful switching meetings" with operating employees, sponsored by the Association of American Railroads, are being stepped up. Held in major rail centers regularly, these are "on the ground" meetings. Especially in the open discussions that follow prepared talks, yard employees gain a more intimate conception of the damage problem and its root in their daily work.

Visual aids such as the A. A. R. film "Easy Does It" are being made available to carriers inaugurating or expanding their visual education program. Motion

## **EVERYBODY'S IN THIS THING**



"This is the annual April campaign—sponsored by the National Association of Shippers Advisory Boards and the 13 regional boards—to 'Make Shipments Safe for Transportation and Transportation Safe for Shipments.' This campaign is continued without let-up throughout the year by the 25,000 shippers who belong to these boards. Cooperating in this campaign are all agencies of transportation.

"The advisory boards earnestly solicit the cooperation of every shipper, receiver and carrier in a continuing effort to reduce loss and damage in transport.

"This isn't the other fellow's campaign. It's yours. It's you who profit from its success. When you act for improvement, everybody benefits—the shipper, the consignee, the carrier. Do your part—act today."

**A. H. Schwietert, general chairman,  
National Management Committee**

pictures have been found a valuable medium with which to hammer home, to both transportation and freight-house employees, the importance of careful handling. At present the A. A. R. is planning a second film along these lines, and individual railroads have made films of this type. The Union Pacific, for example, has released one titled "Who Dunit?"

Over 400,000 pamphlets aimed at railroad employees, urging care in switching, in handling freight, and in conditioning cars for shippers, are being distributed by the A. A. R. in connection with the April perfect shipping campaign. Another pamphlet, urging care in packaging and loading shipments, has been printed in quantities in excess of 335,000 for distribution to shippers by the National Management Committee of the Regional Shippers Advisory Boards, which direct Perfect Shipping Month. The "Track Down Loss & Damage" poster (here illustrated), and a handy pocket "speed card" are also being distributed in considerable quantities. The "speed card" explains to yard men how to estimate the speed of moving cars, and then lists the comparative destructive force of a car moving at various speeds from one to ten miles an hour. In addition, the A. A. R. has produced a number of posters for yard distribution, typical of which is one of a box car which says: "I'm your livelihood—Handle me CAREFULLY!"

### **In the Laboratory**

Evidence of the importance of research in loss and damage prevention can be found in the A. A. R.'s new \$600,000 research laboratory now nearing completion in Chicago. (See *Railway Age* of March 11, page 49.) Located on the campus of the Illinois Institute of Technology, the lab will undertake complete studies of packaging design and commodity loading. For packaging studies alone, over \$50,000 worth of testing equipment is being installed. Car impact tests, allied with the problem of switching, will be conducted on a special inclined test track.

### **Shippers Plug Big Hole**

Preventive action has been found to be the most effective approach to the loss and damage problem. Shippers, aware that they and *their* customers ultimately pay the cost of their own claims, not only have wholeheartedly cooperated with the railroads in their research, but in many instances have effected improvements through their own studies, and at their own expense.

The manufacturers of home appliances, for instance, have developed, on their own, a "National Safe Transit Program" for their industry wherein they have studied the causes of damage sustained by their products, and established packaging and materials handling standards which have been highly effective in reducing damage in transit. A "National Safe Transit Committee" prescribes tests that must be met by every manufacturer of enameled home appliances. These tests include "1-G" vibrations and other tests which are based on engineering analysis and the industry's experience in shipping its products. The railroads, too, through the A. A. R., have been so concerned with the enameled ware damage problem as to retain a full-time ceramics engineer, H. L. Cook, in the Freight Claim Division. Many types of

### **"Who's Who" for Perfect Shipping Month —the National Management Committee**

**GENERAL CHAIRMAN**—A. H. Schwietert, traffic director, Chicago Association of Commerce and Industry, Chicago.

#### **VICE-GENERAL CHAIRMEN—**

H. E. Chapman, traffic manager, S. S. Kresge Company, Detroit, Mich.

Arthur P. Little, general traffic manager, Dennison Manufacturing Company, Boston, Mass.

Louis A. Schwartz, general manager, New Orleans Traffic & Transportation Bureau, Dallas, Tex.

A. C. Street, manager, Barclay Traffic Service, San Francisco, Cal.

E. Del Wood, traffic manager, Chattanooga Manufacturers Association, Atlanta, Ga.

#### **REGIONAL CHAIRMEN**

A. C. Roy, traffic manager, Eastern Gas & Fuel Associates, Pittsburgh, Pa.

G. E. Miller, traffic manager, S. S. White Dental Manufacturing Company, New York

H. H. Ellsworth, executive secretary, Utah Citizens Rate Association, Omaha, Neb.

C. R. Purcell, manager, traffic department, Quaker Oats Company, Chicago

G. E. Hunt, traffic manager, Butler Brothers, Minneapolis, Minn.

H. E. Solsman, traffic manager, Andrew Jergens Company, Cincinnati, Ohio

H. D. Briggs, assistant traffic manager, Rayonier, Inc., Seattle, Wash.

F. L. Rutland, assistant general traffic manager, Gaylord Container Corporation, Kansas City, Mo.

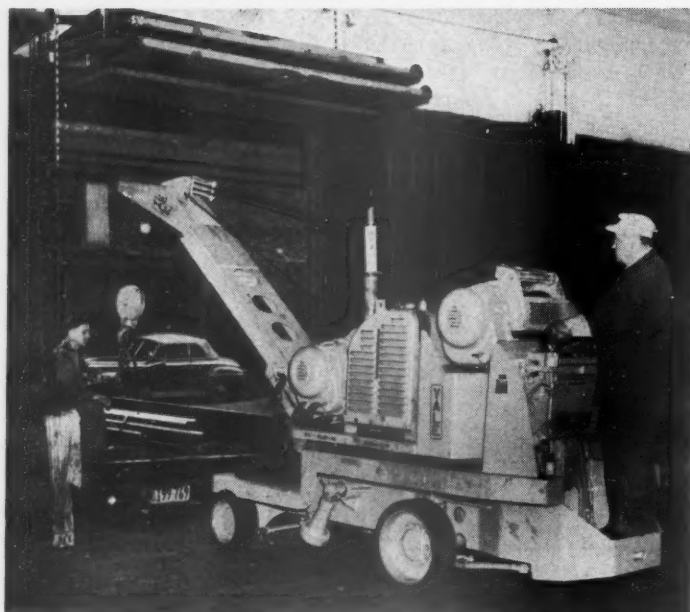
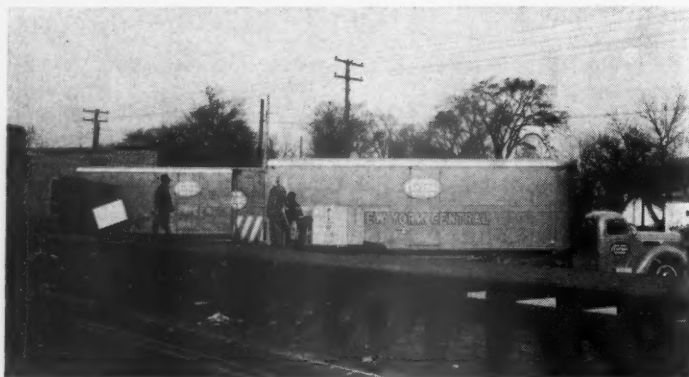
damage" were found not to be of transit origin, but rather from defects in manufacture. (See *Railway Age* of February 18, page 52.) By getting to the actual cause of each type of damage, both the carriers and the manufacturers have been able effectively to reduce damage claims.

The A. A. R. has retained the services of a canned goods specialist to conduct a program of damage analysis in that field. He will study not only the transit of canned goods, but will go to the canneries for study of their handling methods and materials standards.

Attainment of the goal of perfect shipping is a recognized joint responsibility of the shippers and the carriers. Correct packaging, marking, billing and stowage of carload shipments are factors that are largely within the control of the shipper. Careful switching, good car maintenance, furnishing of modern equipment and proper handling of merchandise are the jobs of the carriers. It is obvious that all of these factors require constant policing, rather than a single corrective action. Herein lies one of the reasons why Perfect Shipping Month is with us for the fourteenth time.

"Railroads build their own lines and in addition pay property and income taxes to the states and localities, and yet must meet the competition of other transportation systems which are being subsidized from the public treasury. It is bad public policy any way you look at it."—Bedford, Va., *Bulletin*





Top—Burden carriers bring freight to a "Pacemaker" car at a New York Central freight station. Center—Coordinated truck service, on timed schedules, is helping to make the "custom made" l.c.l. service a success. Bottom—Special equipment speeds the safe handling of freight at the transfer

## "CUSTOM-MADE" FOR INDIVIDUAL

**C**ustom-made" merchandise service, based upon a variation of trap- or ferry-car loading, has benefitted both the New York Central System and many of its patrons now using this service. Instead of sending his l.c.l. shipments to the local freight station the customer loads his shipment, in the trap car, to specified transfers strategically located to serve the destinations of his freight. Timed pick-ups by carrier trucks are sometimes substituted for the trap car in assembling special loads for similar handling. Thus the N.Y.C. handles such shipments more efficiently and economically than heretofore, while the shipper and his customer are saved valuable time. This service—offered at regular rates—affords the user the advantages of faster turnover of merchandise and reduced inventories with their attendant warehousing costs.

In order to set up this "custom-made" service it is necessary to determine the exact requirements of the individual shipper or receiver. The patron's problem may be: (1) distributing manufactured items from a factory; (2) supplying a group of retail stores from a warehouse; or (3) keeping a warehouse or distribution center stocked with supplies obtained from various sources. Equally important is knowing the tools available, or that can be made available, to accomplish the job, i.e., what l.c.l. car lines and freight train schedules can be employed. The availability of this service does not depend on the size of the shipper, volume shipped, type of merchandise offered or plant location. Such service is furnished at the request of a shipper or local freight traffic representative or it may be initiated by the operating department as the result of one of its periodic service checks.

As an example of how this service works, the New York Central set up a recommended change in shipping plans for the "XYZ" Company—which is located in a New York town—which resulted in an immediate 25 per cent reduction in transit time for its l.c.l. shipments. This company's problem was one of distributing manufactured items from a factory. Before the change this company had been loading trap cars to the local freight station. By eliminating the local handling and scheduling the trap car direct to a designated transfer the 25 per cent transit time reduction was accomplished. (See Table I.)

A large merchandising company supplies more than 500 retail stores from its warehouse in a large New York city. The N.Y.C. has no rail connection with this warehouse, yet the company uses this "custom-made" plan with a 30 per cent saving in time in transit, as compared with the previous schedule. (Schedule is all it was, for the railroad was handling none of the l.c.l. moving

# L.C.L. SCHEDULES NEW YORK CENTRAL CUSTOMERS

*The trap car revived for improved merchandise service which is proving more economical for railroad and shipper*

By **W. R. WALWORTH**

Supervisor Merchandise Schedules  
New York Central System

from this warehouse, whereas, at present, about one-third of the tonnage shipped outbound is going via N.Y.C.) In this particular case a timed pick-up truck was substituted for the trap car. (See Table II.)

A large mail-order house had as its problem keeping an inventory in its warehouse, with products of various manufacturers coming from many points throughout the country. Fast, dependable schedules were a "must."

The N.Y.C.'s solution has been entirely successful, for an average of two days was cut from previous average transit time. (See Table III.)

When setting up "custom-made" service the New York Central sends a two-man team—consisting of one operating department representative and another from the traffic department—to study distribution methods. Information is obtained from interviews, review of shipping documents and by on-the-ground observation. A report of the study is submitted to the superintendent of stations and motor service, and also to the general freight traffic manager. The superintendent of stations

**TABLE I—TRAP CAR SCHEDULE FOR XYZ CO., NOTOWN, N. Y.**

Former handling	Required Time	"Custom-made" schedule	handling Required Time
Movement		Movement	
1—XYZ Co. loads trap car at plant siding.	1 day	1—XYZ Co. loads trap car at siding according to Special Loading Order furnished by N.Y.C. (See Note 3) . . . .	1 day
2—Trap car switched to local freight station . . . . .	overnight	2—Trap car switched from plant siding for train movement.	same evening
3—Freight transferred at freight station from trap car into scheduled outbound cars (see Note 1) . . .	1 day	3—Road movement and transfer at transfer station . . .	1 day
4—Cars switched from local station for train movement (see Note 2) . . . . .	same evening	4—Road movement from transfer to destinations including unloading and delivery to consignee . . . . .	1 day
5—Road movement and transfer at transfer station . . . . .	1 day		
6—Road movement from transfer to destinations including unloading and delivery to consignee . . . . .	1 day		
Total . . . . .	4 days	Total . . . . .	3 days

Note 1—Many local stations like the one at Notown, N. Y., are not operated on Saturday or Sunday, so freight loaded in trap cars on Friday is not transferred at the station until Monday.

Note 2—This station, like similar small stations, has limited outgoing l.c.l. scheduled car-lines, thus very little, if any, of the freight loaded into outbound cars reaches destinations without further transfer.

Note 3—Special industrial loading order provides XYZ Co. with a daily trap car to Utica Transfer where freight can be transferred into one of the 103 different destination cars loaded there daily. (47 arrive at destination the following day.) The loading order also indicates territory served by other specified transfer stations for loading direct as tonnage warrants.

**TABLE II—TIMED TRUCK PICK-UP—TRAP CAR SCHEDULE USED BY EVERYBODY'S MERCHANDISE WAREHOUSE, BIG CITY, NEW YORK**

Scheduled Time	Scheduled moves
1:00-1:30 p.m.	Daily truck pick-up of freight segregated by shipper according to industrial loading order.
2:00 p.m.	Truck moves direct to freight car spotted on designated team track. Freight is then checked and carefully loaded directly into car.
3:30 p.m.	Loading completed and car now ready for movement to specified transfer.

**TABLE III—TRAP CAR SCHEDULE USED BY BIG BOOK MAILORDER COMPANY**

Former handling	Required Time	"Custom-made" scheduled handling	Required Time
Movement		Movement	
1—Inbound freight arrives at various local city stations after having received an average of 1½ transfer handlings enroute. . . . .	3 to 5 days	1—Special loading orders furnished freight stations in general origin territory for loading Big Book's freight to major consolidating N.Y.C. transfer. (Note 1) . . . . .	1 day
2—Average time between unloading and delivery to warehouse by truck or trap car . . . . .	1 to 2 days	2—Trap car loaded at N.Y.C. transfer direct to Big Book's warehouse. Time required to move car to destination city including placement. . . . .	1 to 3 days
Total . . . . .	4 to 7 days		2 to 4 days

Note 1—The Big Book Mailorder Company instructed its suppliers in origin territory to route shipments to its warehouse via N.Y.C.

then issues a special industrial loading order, based on this report and upon the latest car line and coordinated trucking schedules. This loading order affords the industry a definite tie-in with the best coordinated service. Frequent schedule revision is possible whenever improvements are made. (See Table IV.) A letter of explanation, with a copy of the loading order attached, is sent to district supervisors of stations, freight traffic representatives, freight agents and others involved in any part of the freight handling. The local freight traffic representative and freight agent, having such information, can work closely with the shipper, thereby helping to secure a scheduled performance.

The loading order is brief and easy to use. The N.Y.C. alphabetical zone list of stations and junctions is used in conjunction with the loading sheet. The person routing the freight simply looks up the destination of each shipment in the alphabetical list and then loads according to directions (i.e. to the prescribed transfer) on the loading order sheet. If the shipment is destined to a point beyond New York Central lines it is loaded for the billed junction point. (Table IV is based on a special industrial loading order used by a N.Y.C. shipper.)

Through the medium of this service we have made many patrons more satisfied with New York Central service and in some cases have recovered business which had been lost to the railroad.

## ST. LOUIS SHIPPERS

(Continued from page 48)

So far as the receiver of inbound freight in the St. Louis area is concerned, the new Miller Street station will make it possible for him to pick up shipments from all points on the Missouri Pacic at one station, instead of having to move from one of the old stations to the other as is now frequently necessary.

The new freight station, which will have its long dimension in a north-south direction, will embody two island platforms, each 30 ft. wide by 748 ft. long, together with freighthouses, 50 ft. wide, on the east and west side of the building, and at the north end, a two-story L-shaped headhouse containing 108,000 sq. ft. of office space on the second floor, and locker rooms, a salvage room, a cooper shop, and a boiler room on the ground floor. The headhouse will have 210 ft. of frontage on the south side of Miller street. Floors of all platforms will be paved with wear-resistant concrete which will keep dust to a minimum, and the entire structure will be covered with Transite roofing.

Between the inbound and outbound freighthouses, and likewise covered by the Transite roof, will be 12 tracks having a capacity of 15 cars each, or a total capacity of 180 cars for the station. All switching of cars within the structure will be done with Diesel locomotives. The tracks will be laid with 112-lb. and 90-lb. rail in groups of four, separated by two island platforms. Crossover bridges at the south end of the structure, and one at the north end, will serve as connecting links between the freighthouses and the island platforms, but they will be of the rolling-lift, power-operated type so that they can be opened for

**Table IV—INDUSTRIAL LOADING ORDER FOR THE XYZ COMPANY, BLANK, MASS.**

The special loading schedule dated December 2, 1946, is hereby revised to afford you the advantage of faster l.c.l. service made possible by newly scheduled direct overhead cars at Springfield, Mass., and recent operating changes in the Chicago area which now permit the handling of merchandise cars containing a mixture of Western lines transfer and Chicago local delivery freight at our Polk Street Station, Chicago, Ill. All changes are indicated by "X".

Alphabetical Zone List No.	Load to	Connecting Line Freight
1	Springfield, Mass.	*Freight for all points on or via any road when routed via:
2-12	Utica, N. Y.	(1) The Chicago gateway may be loaded to Chicago-Polk St. Station (or to Cleveland or Utica).
13	Springfield, Mass.	(2) The St. Louis gateway may be loaded to East St. Louis, Ill. (or to Cleveland or Utica).
14	Utica, N. Y.	(3) B&A-Selkirk-NYC-National Junction-CNJ-Bound Brook-RDG-Park Junction-B&O-Pot. Yard-SOU and all points in North Carolina and beyond, or
*15	Springfield, Mass.	B&A-Selkirk-NYC-National Junction-CNJ-Bound Brook-RDG-Park Jct-B&O-Pot. Yard-RF&P-Richmond-SAL and all points in North Carolina and beyond may be loaded to Springfield, Mass.
16-35	Utica, N. Y.	(Springfield loads scheduled cars to Spencer Transfer, N. C., and to Hamlet Transfer, N. C., taking the above freight).
*36-69	Springfield, Mass.	All other connecting line freight should be loaded to the junction point in accordance with zone classification as per alphabetical list of N.Y.C. stations.
70-101	Utica, N. Y.	
102-118	Cleveland, Ohio, or Utica	
*119	Chicago-Polk St. or Cleveland, Ohio, or Utica	
150-192	Cleveland, Ohio, or Utica	
*193	East St. Louis or Cleveland, Ohio, or Utica	
194-200	Cleveland, Ohio, or Utica	
*201	East St. Louis or Cleveland, Ohio, or Utica	

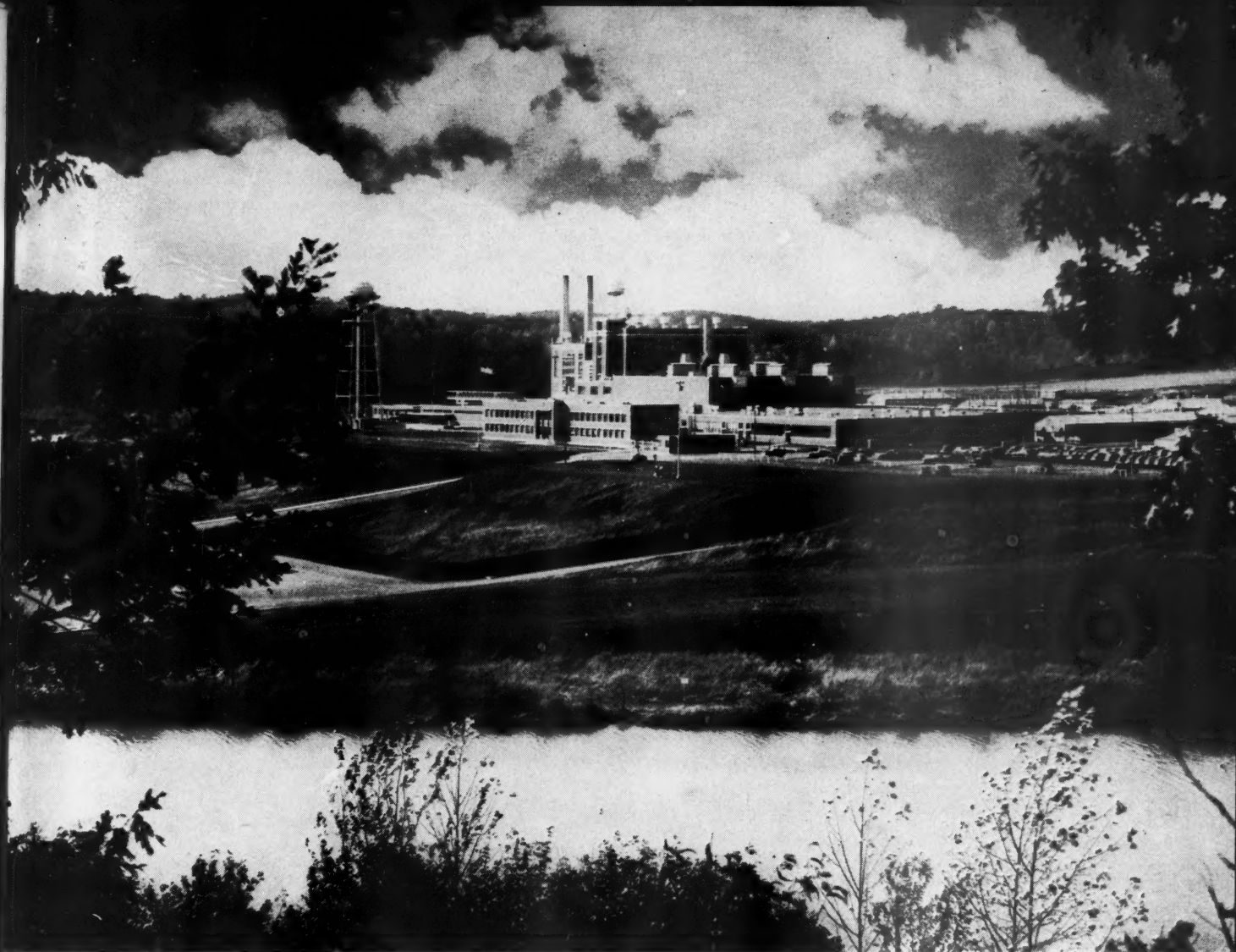
switching the house tracks. Three of the crossover bridges will each be composed of one section and one will be a two-section unit. At the southwest end of the building there will be an open platform, 20 ft. by 88 ft. in plan, which will be equipped with a stiff-leg derrick for handling heavy or unwieldy freight.

All offices and various points on the platforms and in the freighthouses will be connected with a two-way communication system. With such an installation, almost instant communication between any two points in the station will be possible. In addition, there will be a two-way tube system connecting the inbound and outbound freighthouses with the offices.

Although the number of units for operation in the new station has not yet been definitely determined, it is planned to have it completely mechanized in operation by means of Chore Boys, tractor-trailers, and palletized handling with fork-lift trucks. Since each of these types of equipment is considered to be sufficiently flexible to permit joint operation with the other two, it is anticipated that their use in combination with each other will permit the most economical operation. At the northeast corner of the building there will be a tractor garage to house the equipment used in the station.

It is reported that the Missouri Pacific's new freight station will be the first freight facility of any size to be constructed in the St. Louis area within the past 30 years or more. Its construction will also mark the passing of the last physical evidence of the separate existence of the two corporate entities—the Missouri Pacific and the St. Louis, Iron Mountain & Southern. These two lines, which date back nearly a century, were built by the same interests and have been operated as one system for more than 30 years.





Even on a branch line, industrial development by a railroad, backed by good service, will pay off. This new rayon plant at Martinsville, Va., is a typical example of the industrialization — and traffic — which such efforts have produced on the N. & W.

## INDUSTRIES PAY OFF ON SECONDARY LINE

***Norfolk & Western's long-range policy of fostering manufacturing projects produces traffic dividends on Winston-Salem branch***

In the past ten years, 83 permanent new industries have been established on the secondary main line of the Norfolk & Western between Roanoke, Va., and Winston-Salem, N. C. The figure does not include a number of temporary war projects which were closed down at the end of hostilities. This 120-mile line, crossing the Blue Ridge mountains and the hills of the upper Piedmont district in Virginia and North Carolina, has been a steady and profitable producer of traffic, because of the study and effort given to its industrialization by the N. & W., in cooperation with manufacturers and local interests, supplemented by the excellent service made possible by a well-maintained property.

The line was built in 1892 as the Roanoke Southern, to afford a link in a new route between the Carolinas

and the North. The N. & W. leased the road the year it was completed and purchased it in 1896. It has always been a good physical property; it has been progressively improved since its construction, and, as traffic increased, heavier rail was laid and many grades and curves were eliminated. Now the line, with 75 miles in Virginia and 45 miles in North Carolina, is laid throughout with 130-lb. PS and 131-lb. RE rail on 24 treated cross ties per 39-ft. rail length. The track is ballasted with crushed limestone screenings. The maximum grades, despite the fact that it traverses rugged mountain country, are 1.6 per cent for both north and southbound traffic and the maximum curvature is 10 deg.

When the line was built, it linked Roanoke, which had a population of 16,159 in 1890, and the then sep-

arate towns of Winston and Salem, with a combined population of 10,729. Only the beginnings of industrial development, in the form of a number of small companies of local importance were in evidence.

### **The Terminal Cities**

Continued industrialization has been responsible for the steady growth of these cities. Winston-Salem is said to have the largest tobacco manufacturing plant in the world, as well as the world's largest circular-knit women's hosiery mill and the largest men's underwear plant in the United States. Its factories, in addition to those named, produce air-conditioning machinery; bathing suits; boxes and cartons; radios, radar and other communications equipment; furniture; industrial equipment and machinery; chemical materials and medicines; awnings; bedding; paint; toys; batteries; building supplies; mechanical conveyors and metal stampings.

Roanoke has bridge manufacturers; a large viscose rayon plant; large textile plants; machinery manufacturers; foundries; furniture plants; and a number of other important industries. In assisting in the development of other industries, the N. & W. has not neglected its own facilities. Its main shops, situated at Roanoke, have been steadily expanded until they are among the largest in the country.

Including the terminal cities, the six counties served by the line—Franklin, Henry and Roanoke in Virginia, and Forsyth, Rockingham and Stokes in North Carolina—had a combined population of 144,290 in 1890, as compared with 381,638 in 1940, or an increase of 164 per cent. A further increase has occurred since. During the period 1890-1940, the combined population of the states of Virginia and North Carolina increased 90.8 per cent, affording an interesting comparison.

### **The Intermediate Territory**

The towns through which the railroad was built were then little more than hill country villages, with no industry to speak of, and engaged principally in small farming and lumber operations. A very different picture is presented now. The agricultural department of the railway has taught the farmers to conserve soil moisture and to increase crop yields through suitable crop rotation and the use of fertilizers. In addition, the reclamation of land through drainage, terracing and reforestation has been encouraged. Other techniques fostered by railway representatives that have helped in converting a rather primitive farming section into a prosperous agricultural community are: proper field selection; storing and testing of seed; and control of insect pests and plant diseases.

Through the use of proper spraying and pruning methods and efficient winter management, the orchards in the area have been rendered much more productive, and the establishment of conserving plants for the manufacture of vinegar and jellies from cull fruits has been encouraged. Methods of increasing the production and improving the quality of dairy cows have been taught to residents of the area. The standardization and orderly marketing of crops also have been promoted successfully. For example, a monthly market and live stock bulletin is issued by the N. & W. agricultural

department, listing farm products and live stock for sale and exchange and other useful information.

The sleepy little towns of the Nineties are now small cities, humming with industry, a transformation for which the N. & W. itself is responsible in no small way. The road's industrial department was established in 1904 and has been functioning ever since, with the exception of a hiatus of some years during and following World War I. Particularly since 1928, the department has been studying the natural resources which control the locations of plants and warehouses. To encourage prospective manufacturers the department prepares and distributes exhaustive surveys of the possibilities, including reports, maps and tables of natural resources and other available facilities, the quality and chemical content of the water, the availability of coal, gas and electricity, the access to markets and, of course, the transportation facilities.

In the intermediate cities, an unusually large percentage of the new industries represent ventures by local capital, and on-the-ground ownership is the rule rather than the exception. Close cooperation is maintained by the industrial department of the Norfolk & Western with all local community agencies interested in industrial and civic growth, such as chambers of commerce, civic clubs, city and town officers. In its efforts, the industrial and agricultural department has been ably supported by other departments of the railway, notably the traffic, engineering, operating and advertising departments.

### **Building Cities**

Examples of the good results of all these efforts are numerous on the Winston-Salem line. Martinsville, Va., had a population of less than 400 when the railway was built and its estimated population now is some 18,000. This city supplies an excellent illustration of growth from within, in that, with but a few exceptions, such as the du Pont nylon plant, Martinsville's industries are home-owned and home-operated. This city now has six furniture plants; and among its other industries are factories producing underwear, knitted garments, men's work clothes, mirrors, containers, cotton goods, beverages, paints and truck trailers. It also has a publishing and printing establishment and a dyeing and finishing plant.

Rocky Mount, Va., was a county seat with a few hundred inhabitants when the railway was built. Now it is the home of a silk mill, three furniture plants, a sash and door plant, lumber mills, a veneer mill, a mirror frame plant and other industries and the standards of living and of education have been raised immeasurably in the past few decades.

There are textile mills—some of them very large—in several of the smaller towns along the line and furniture plants, nearly all locally owned and managed, are scattered in nine of the intermediate cities. Every town along this line with more than 500 inhabitants, and some with less, has at least one factory.

The textile mills and furniture plants were among the earliest industries to seek locations along the line and represented the overwhelming majority of factories until the last two decades, during which the industrial department of the railway has met with success in encouraging diversification.

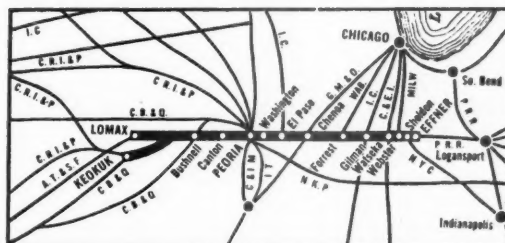


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# GENERAL NEWS

## Justice Department Offers Rebuttal Of Railroad Evidence in Reparations Cases

**Presentations made at further I.C.C. hearings on five  
of government complaints against rates paid on war freight**

Government evidence in rebuttal of railroad presentations in five of the so-called reparations cases was offered this week by the Department of Justice at Washington, D. C., hearings before Division 4 of the Interstate Commerce Commission. The five cases, like 12 other pending proceedings, arose out of complaints whereby the department is seeking to recover alleged overcharges which it claims the railroads made on government shipments of various commodities during World War II.

They are docketed as No. 29735, wherein the complaint assails charges paid by the government on export freight stopped at storage-in-transit depots; No. 29795, wherein the complaint assails charges paid as a result of the application of railroad "policing" rules to government shipments moving to Pacific Coast ports for export; and Nos. 29622, 29746, and 29805, which, in turn, assail rates paid by the government on its wartime shipments of soldiers' pack-carrier cases, aluminum airplane landing mats, and steel airplane landing mats.

### RR Presentations Last Year

The railroad presentations, which the government undertook to answer this week, were made at hearings held last year from November 28 through December 5 (see *Railway Age* of December 3, 1949, page 39, and December 10, 1949, page 60). The Justice Department presented its own direct evidence at hearings held last June, as reported in the issues of June 25, 1949, page 102, and July 2, 1949, page 50. Division 2's chairman, Commissioner Mahaffie, presided at this week's hearings; and he had with him on the bench Commissioners Rogers and Mitchell and Examiners Howard Hosmer and M. L. Boat.

At the outset of the hearing, Department of Justice counsel had incorporated into the record the department's formal objection to all railroad evidence not specifically related to the assailed rates and tariff rules. The document involved was a letter, dated January 30, which was written to Commissioner Mahaffie by Assistant Attorney General H. A. Bergson. It specified by citations from the record the evidence to which the department objects; and statements made at the hearing by the department's attorneys stipulated that, in covering some

of the "objectionable" testimony in its rebuttal presentations, the department was not thereby waiving its objections to the receipt of such evidence.

The Bergson letter listed 13 "categories" of evidence to which the department objects. On the list was evidence relating to the general financial situation of the railroads, their general performance, capital requirements, and plans for improvements and betterments; and all cost, operating, and rate evidence unless it relates specifically to the commodities and services involved in the complaints. Also, testimony and exhibits "attempting to show waiver on the part of the government in past cases of claims on shipments delivered more than two years prior to the filing of the complaint therein"; that "attempting to show that the government, prior to the institution of these proceedings, led the defendants into believing that the government would not test the reasonableness of charges and rates on government traffic before proper tribunals and regulatory agencies"; and that relating to passenger revenue and "general revenue."

The principal rebuttal witnesses were four members of the staff of the "transportation rate unit" which the Justice Department has organized for the reparations cases—R. E. Curtis, George L. Tillery, Edwin N. Schorr, and A. S. Dolch. Other members of the unit's staff also testified, as did Commander Franklin J. Waugh of the Navy and Lieutenant Colonel George L. Barnes of the Army's Transportation Corps. These officers were on duty during the war at San Francisco, Cal., and they explained briefly their respective service's wartime set-up for handling export freight through that port. They were not cross-examined.

### Jekyll and Hyde Government

Mr. Curtis' statement, as he summarized it, surveyed a record which "discloses the fact that railway operations during the period of the war were very profitable and that the railways came out of the war in greatly improved position." As to taxes paid by the railroads during the war, he asserted that the "government shipper," which he called the government in its role of complainant in these cases, "was not the beneficiary."

Mr. Curtis added that "insofar as the objectives of those payments were attained, the railroads themselves were beneficiaries."

It was Mr. Curtis' view that the opportunity which the war gave railroad personnel "to be really busy after the slack years of the previous decade must have been stimulating and invigorating." The carriers' wartime problems "were largely problems of good management," he continued, adding that "no one interested in progress in transportation can help but be impressed with the great gain in efficiency of the railroads under the pressure of war."

Another "favorable" wartime condition listed by Mr. Curtis was the lessening of competition from other forms of transportation. His comment on railroad testimony to the effect that the war brought back into use "idle and unproductive equipment" was that this was done "at an expense properly entered in the accounts, of course."

### New Way to Figure Net

In determining the "success of the railways during the war," Mr. Curtis used income available for fixed charges before federal income taxes. He said this was justified because "federal income and excess profits taxes are intended to be deductions from the owner's share of income," and are thus to be treated "as a share in the disposition of net income rather than as an expense." Mr. Curtis conceded that the "after-taxes" net "may be a pertinent matter" in determining "the future needs of carriers," but he insisted that "in measuring the success of business operations, including transportation, it would be inaccurate and misleading to consider income taxes as anything else than a share of the wages or salaries or profits of the person subject to the tax."

Calculating the "income available for fixed charges" on his basis, Mr. Curtis determined that the railroads earned returns in the 1941-1946 period ranging from 12.07 per cent in 1943 to 3.53 per cent in 1946. He also had figures showing the "net income before federal income taxes," and he related them to railroad capital stock outstanding to show that the "average rate on stock" ranged from 8.49 per cent in 1941 to 27.89 per cent in 1943. These latter figures were identified by Mr. Curtis as those which give "a correct measure of the profits of the carriers." But he went on to show also the "after-federal-income-taxes" picture. In that set of figures the "average rate on stock" ranged from 6.3 per cent in 1941 to 11.35 per cent in 1942.

As to deferred maintenance and excess wear and tear on equipment, it was Mr. Curtis' position that they were more than offset by benefits which the railroads obtained from new facilities added during the war years under tax-relief arrangements which permitted accelerated amortization of such facilities. "As a result of such expenditures," the witness said, "the railways came out of the war with a greatly improved plant. It could no doubt have been said then of the railroads as a whole as President Gurley said recently of the Santa Fe... 'the Santa Fe... is in the best physical condition in its history.'"

#### Bureaucratic Economics

Mr. Tillery's presentation was a statement occupying about 80 mimeographed sheets, which embodied a detailed explanation of an exhibit he had prepared to show that the railroads fared much better, relatively as well as absolutely, in the war years than in the pre-war period. The showing involved accounting adjustments and statistical methods which were challenged by railroad counsel on cross-examination.

Among other things, the cross-examination pointed up the fact that, in calculating unit costs of freight service, Mr. Tillery had not employed the usual plan of including only freight-service costs, but had also allocated the passenger service deficit to the freight-service units, thus increasing the costs shown for them. This adjustment had its principal effect on the pre-war figures. Adjustments made in the war-period data by Mr. Tillery resulted in his showing of figures for "net railway operating income" before federal income and excess profits taxes and before deductions for the accelerated amortization of facilities.

Mr. Schorr's testimony related principally to the policing-rules case. In this case the government is contending that such rules were unreasonable, as interpreted by the railroads, because they denied the government the export rates on shipments moving to Pacific ports for export. Among other rules in issue are those which required that the shipment move from the port via a "common carrier by ocean," that the name of the ship on which it was to move be specified, and that the off-shore destination be named. Also, there were provisions to the effect that if the ocean lines desired to take delivery of the export freight at any time for storage at their own expense, the railroads would unload it at warehouses instead of on the wharf.

#### Government Wants Apple and Core, Too

The export rate was denied the government shipments because the railroad determined that the shipments were not being made in compliance with these rules; but they did offer to give the government a special rate (under section 22 of the Interstate Commerce Act) provided the land-grant deduction would not apply. The government wanted the export-rate basis and land-grant deductions, too.

## 21,583 Freight-Train Cars Ordered in First Quarter

Railroads and private cars lines of the United States have given ample evidence of their willingness to provide their customers with the most modern equipment by ordering 21,583 new freight-train cars during

the first three months of 1950, according to reports published in *Railway Age*. The orders reported so far this year are listed, by purchaser, in the accompanying table.

Purchaser	No.	Type	Purchaser	No.	Type
Atchison, Topeka & Santa Fe .....	500	50-ton Box	Minneapolis, St. Paul & Sault Ste. Marie	75	70-ton Cov. Hopper
Central of Pennsylvania ..	125	70-ton Hopper	Missouri-Kansas-Texas .....	500	50-ton Box
Chicago & Eastern Illinois .....	25	70-ton Cov. Hopper	Missouri Pacific ..	610	70-ton Hopper
Chicago, Burlington & Quincy .....	1,900	50-ton Box	Missouri Pacific ..	500	50-ton Box
	600	70-ton Triple Hopper	New York Central	3,000	55-ton Box
	200	70-ton Hopper	Norfolk & Western	1,500	70-ton Gondola
Chicago, Rock Island & Pacific .....	1,000	50-ton Box	Norfolk & Western	1,000	70-ton Hopper
Delaware, Lackawanna & Western ..	300	70-ton Cov. Hopper	Northern Pacific ..	500	50-ton Box
Detroit, Toledo & Ironton .....	250	50-ton Box		50	Caboose
Fruit Growers Express .....	100	50-ton Refrigerator	St. Louis-San Francisco .....	40	70-ton Cov. Hopper
Gulf, Mobile & Ohio .....	100	70-ton Cov. Hopper	Seaboard Air Line	300	70-ton Phosphate
Lehigh & New England .....	35	70-ton Cov. Hopper	Southern Pacific ..	2,000	50-ton Box
Lehigh Valley .....	100	70-ton Cov. Hopper		1,000	50-ton Auto
	50	70-ton Flat		100	70-ton Gondola
Louisville & Nashville .....	500	50-ton Box	Spokane International ..	23	70-ton Cov. Hopper
			Union Pacific .....	2,500	50-ton Box
				500	40-ton Stock
				1,000	50-ton Gondola
			Western Fruit Express .....	450	50-ton Refrigerator
				50	Refrigerator
			Wilson Car Lines	100	40-ton Refrigerator

Mr. Schorr contended that the Army and Navy transport services were "common carriers by ocean" within the meaning of the rule, and thus freight delivered to such services met that test. He noted that the rule had formerly designated the eligible steamship lines as "ocean lines," and the change to "common carrier by ocean" was made in 1936, while a further change in 1942 made it "common carriers by water." It was also Mr. Schorr's position that proof of export could have been obtained with respect to the government shipments without requiring the naming of the ship and the off-shore destination. Moreover, he said that the Army and Navy transport services were accepted as "ocean lines" with respect to traffic moving through New Orleans, La., and Atlantic ports. The 1936 rules change as to Pacific ports, and the subsequent interpretation of it, "was merely an excuse to prevent land-grant deductions from the published export rates," Mr. Schorr charged.

#### Department Adds New Charge

During the cross-examination of this witness, Kenneth F. Burgess, chief counsel for the railroads, raised a question as to whether the government was alleging violation of the I.C. Act's section 6, which relates to tariffs. It had been his understanding, Mr. Burgess said, that the complaints rested only on allegations of unreasonableness of the assailed rates under section 1. W. R. Pierce, of counsel for the Justice Department, said Mr. Burgess's understanding was incorrect.

The railroad counsel then said that allegation of a section 6 violation was "not within the framework of the complaints." Commissioner Mahaffie observed that the commission will "perhaps" want to hear argument on that point. "If it's involved, we'd like to be

informed," Mr. Burgess replied. Mr. Pierce said that the measure of the level of the rates is not involved in the policing-rules case; the rules only are being assailed.

Mr. Dolch's testimony related principally to the so-called transit case. It was designed to rebut railroad testimony to the effect that "special" services had been performed on the government's war freight. It was Mr. Dolch's general finding that what the carrier witnesses described as "special services" were "no different from those generally accorded commercial shippers during both normal and war times without extra compensation."

#### Comments on RR Testimony

His statement included comments on testimony of railroad operating officers, who, he said, were generally unfamiliar with the tariffs involved in routing and transit arrangements. Mr. Dolch thinks that one discussing such arrangements should be familiar with the tariffs. Commissioner Mitchell asked him how he was able to make the general statement that operating officers don't know about the tariff situations. "Are you an expert on operating officials?" the commissioner added. Mr. Dolch replied that he "wouldn't want to say" that he was.

Rejecting protests of the Justice Department attorneys, Commissioner Mahaffie permitted the railroads to introduce three witnesses for the purpose of rebutting some of the evidence included in the department's rebuttal presentation. These railroad witnesses were W. G. Hunt, assistant general auditor of the Santa Fe, H. C. Hallmark, freight traffic manager of the Southern Pacific, and Loring V. Haskett, assistant commerce agent of the Baltimore & Ohio.

Mr. Hunt's statement was, in the main, a criticism of the manner in which Mr.



Tillery dealt with amortization changes in his calculations covering railroad financial results of the war period. To set up what he was shooting at, Mr. Hunt quoted from Mr. Tillery's statement the following:

"The property, mainly locomotives and cars, acquired by spending the amortized amounts, was an addition to the investors' original property which has cost them nothing at all. Furthermore, in the final accounting for the expenditures, disposition thereof has been such as to avoid payment of federal income taxes which, though the exact sum is not easily calculable, were hundreds of millions of dollars."

It was on the basis of this proposition that Mr. Tillery took the position that the value of the property, the cost of which was amortized, should be added to the railroads' income as "net railway operating income not counted in keeping the books." "The actual facts . . ." as Mr. Hunt put it, "are that the railroads acquired the property in question by an expenditure of their own money, in hand or borrowed, in the full amount of the cost of the property . . . There has been no tax 'avoidance' but only such tax relief as was specifically provided in the Internal Revenue Code. The amount of tax relief was no such sum as that stated by Mr. Tillery as 'federal income tax avoided' (\$943,190,108) but instead is estimated at less than \$353,000,000."

#### "Taxpayer's Only Advantage"

Mr. Hunt went on to explain that an amortized facility could not be depreciated. Thus, he added, "the taxpayer's only advantage was the greater tax deduction for amortization during the war years when tax rates were at a maximum, as compared with the lesser deduction which would otherwise have been available in those years for depreciation." In years subsequent to the amortization period, the taxpayer suffers a "disadvantage," because he "must forego altogether any tax deduction for depreciation."

This effect of amortization "has been and will continue to be favorable to shippers" in the post-war period, Mr. Hunt said. He had previously stated that "the effect of amortization as increasing the charges to be covered by the revenue paid by wartime shippers was small."

Mr. Hallmark's statement was principally an answer to Mr. Schoor's presentation, although it included also some comment on Mr. Dolch's testimony. Mr. Haskett appeared to make a brief answer to some of the Justice Department's evidence which related to the aluminum-landing-mats case.

The hearings, which began on March 20 were "recessed" on the forenoon of March 22, pending advice from the Justice Department as to whether it will want another session to present evidence in reply to that offered by Messrs. Hunt, Hallmark, and Haskett; or to further cross-examine those witnesses. Meanwhile counsel for the Justice Department renewed their motion that the five cases be severed and considered separately by

the commission. And railroad counsel renewed their motion asking that the commission not only leave the five cases grouped, but that it bring into the grouping the 12 like proceedings arising out of the government's other complaints. The commission has set May 15 as the date on which it will begin a series of hearings on these 12 remaining cases.

As to briefs in the five cases which were the subject of this week's hearings, Commissioner Mahaffie announced that the parties had asked that there be no assignment of due dates until the commission completed the taking of evidence in the other 12 cases. Thus he assigned no dates.

## Shippers, Carriers Must "Work Together"

### Smith says federal policies add to transport problems

"If we users of transportation and the agencies of transportation could learn to think of ourselves as partners in a single great enterprise, we would go a long way toward solving our transportation problem," Earl B. Smith, vice-president and director of traffic of General Mills, Inc., told the New England Shippers Advisory Board at Boston, Mass., on March 22 during the board's silver anniversary meeting—an occasion marked also by addresses by Edwin C. Johnson, president of the Boston Chamber of Commerce, and E. G. Plowman, vice-president, traffic, of the United States Steel Corporation.

Pointing out that "our transportation problem is to get all agencies of transportation into their proper place within the national transportation system — and to preserve that system as free competitive enterprise," Mr. Smith called on his audience to "cooperate and work together in unity, toward the adoption of a new sound national transportation policy and practice — one in which the transportation problem is treated as a single, unified problem, including all agencies and all facilities of each agency; and in which the government's attitude toward and treatment of all agencies is reasonably consistent."

#### Users Must Be Willing to Pay

"It is the responsibility," he said, "of those who run our transportation agencies to maintain them in an acceptable state of efficiency," and the "perfect right" of users "to urge that there be wise and efficient management of the transportation facilities." "But, in order that this may be done," he declared, "we users must be willing that they [transportation agencies] shall receive adequate compensation for the services which we expect them to render. . . . In brief, there must be a new day in the matter of overall cooperation between the users and the transportation agencies, as well

as within and between the various agencies themselves."

Earlier in his talk, Mr. Smith had sharply criticized some of the federal government's present transportation activities, and the effect of those activities on the railroads, which he described as the country's "basic and essential transportation agency — as well as the most vulnerable from the standpoint of nationalization." On this general subject of federal policy he said in part:

"One of the major aspects of federal transportation activities is the large expenditure which our federal government makes to promote various types of transportation. . . . Once having started to dish out the money for these purposes, the government has found it impossible to stop. . . . There is no sign of any end to such spending."

"Equally as unfortunate, the various government commissions, bureaus and other organizations devote themselves not to the cause of national transportation — but to their own special branches of the system. While the federal government's fundamental regulatory policy is to maintain fair competition, its promotional policies usually result in just the opposite."

"The defects of our national transportation policy in this regard have hit the country's railroads a hard blow — and it continues. One sad part of the story is the fact that governmental promotional activities are getting farther and farther from meeting the test of whether they result in a new, or improved, or more economical transportation service which is really needed. Most of the governmental promotional activities have been pursued independently and without any reference whatever to a coherent, balanced program for the national transport industry as a whole. . . ."

#### Aids to RR Competition

"These publicly provided facilities are also used for the business of commercial transportation — which cannot be said to be any more public in its nature than is the business of a railroad company — without requiring adequate charges for the use of public property for private profit."

"It is to this policy that valid objection may be taken, not only by the railroads but by taxpayers in general. It is well contended that the effect of such a policy is to shift more and more of the resources of the nation from the category of taxpaying property to tax-free property upon which tax money must be spent."

"It is true that some shippers may now pay less in some instances — but under present overall conditions the aggregate cost of our national transportation to all users is increased by the present encouragement of uneconomic investment of public funds in transportation facilities. It is increased even further by the artificial reduction in the volume of rail traffic, with the consequent increase in the unit cost of handling that which remains — for it is a known fact that railroading is pre-eminently a volume business, and railroads are most efficient and most economical when working most nearly to their full capacity."

Only by according the railroads "fair and equal treatment," Mr. Smith con-



tinued, will traffic go "to that agency by which it can best be handled on the basis of service, efficiency, and true cost to the carriers themselves, and, in turn, to us users. On that basis, the future of the railroads would be determined by the future of the nation — in both war and peace. Only in this way will the users of transportation finally find themselves experiencing the most efficient transportation service at the very minimum cost."

#### Shipper-RR Cooperation Pays Dividends

Mr. Johnson, in his address on "A Business Man's View of Shippers Advisory Boards," emphasized the extent to which shipper-railroad cooperation within New England "has paid and will continue to pay substantial dividends in the form of better performances than otherwise would be possible." Pointing out that "service plays an important part in determining where orders will be placed," he urged that other advisory boards "be prevailed upon to follow" the New England practice of having board officers and committee chairmen "frequently meet with head operating and traffic officers of New England railroads for the purpose of exchanging views on constantly changing transportation conditions, offering constructive criticism of shortcomings on the part of the railroads and shippers that adversely affect service and jointly endeavoring to strengthen weak spots as discovered."

As examples of the benefits of such close teamwork, he cited, as to freight loss and damage, "a noticeable improvement in the local situation, particularly from the standpoint of traffic originating and terminating in this area"; and, as to less-carload freight, the development and maintenance within New England of "standards of service that are generally satisfactory from the standpoint of industry."

## Eastern Rate Pact Approved by I.C.C.

### O.K. clears third Bulwinkle-Act agreement of railroads

Division 2 of the Interstate Commerce Commission has conditionally approved the rate-procedures agreement filed under section 5a of the Interstate Commerce Act by the eastern railroads, the Pullman Company, and water carriers and motor carriers which participate in through-route and joint-rate arrangements with the railroad parties. Relatively minor modifications of the agreement will be required under the conditions imposed by the division, and its order formally approving the pact was withheld until the conditions are accepted and the amendments made.

The division's favorable action marked a third set-back for the Department of Justice in its undertakings to have the

commission condemn agreements proposed by the railroads pursuant to the provisions of section 5a, which was added to the I.C. act by the Bulwinkle-Reed Act, passed in 1948 over President Truman's veto. The commission's first determination was made in its report approving the agreement entered by western railroads as members of the Western Traffic Association, while the second was embodied in Division 2's recent report approving the pact entered by railroad parties to car-hire, demurrage, and storage rules administered through the Association of American Railroads (see *Railway Age* of October 8, 1949, page 68, and March 18, page 81).

Under provisions of section 5a, carriers obtain immunity from the anti-trust laws in connection with joint actions taken under agreements, if such agreements are approved by the commission and if they relate to rates or charges, or rules and regulations pertaining thereto, or procedures for the joint consideration, initiation or establishment thereof. Among other provisions of the section are those stipulating that agreements between carriers of "different classes" must be "limited to matters relating to transportation under joint rates or over through routes."

It is only for this "limited" purpose that the water-carrier and motor-carrier parties are participating in the present eastern-railroad agreement. Division 2 made a specific finding that their participation will be thus limited. No such special finding was required with respect to participation by the Pullman Company, since the section considers

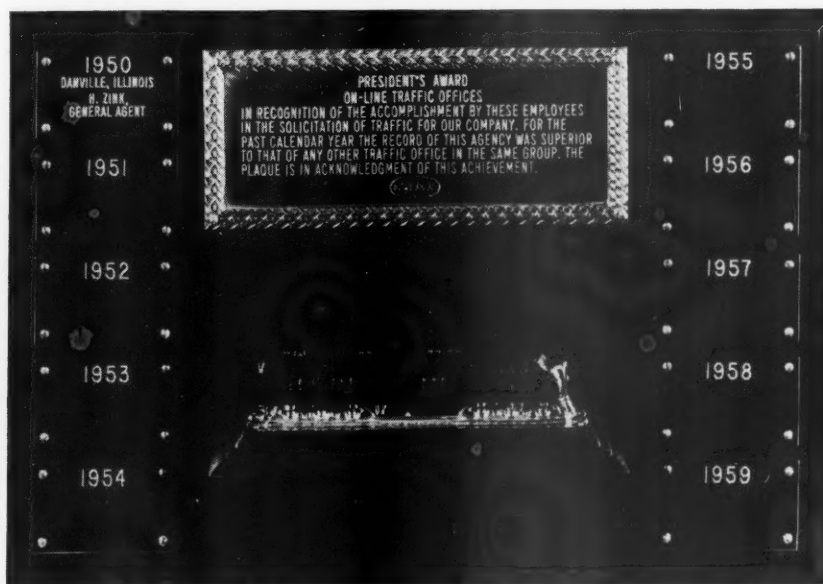
sleeping car companies, express companies and railroads as being in the "same" carrier class.

The proceeding out of which Division 2's report came is docketed as Section 5a Application No. 3. As described briefly in the report, the procedures provided for in the agreement are the "same in principle and basic function" as arrangements which have been in effect in Eastern or Official territory since 1920—"except that the agreement incorporates changes which experience had shown to be desirable." The agreement provides for two principal organizations, i.e., the Presidents' Traffic Conference—Eastern Railroads; and the Traffic Executive Association—Eastern Railroads.

#### Conference Rarely Convenes

"The conference through its member lines [the report continued] deals with matters of exceptional importance, only, and rarely convenes. With few exceptions, traffic matters are determined without going beyond the Traffic Executive Association. The latter functions through a Freight Department and a Passenger Department. The Freight Department comprises a General Freight Traffic Committee whose members consider matters of interest to eastern carriers generally; three sub-territorial freight traffic committees, one each for Central, Trunk-Line, and New England territories, whose members consider matters local to these territories; and two coal, coke, and iron ore committees, one for Trunk-Line territory and the other for Central territory.

"The Passenger Department consists of a Passenger Committee for Trunk-Line and Central territories and one for New



**AWARDS FOR FREIGHT SALESMEN** are among the incentives offered by the Chicago & Eastern Illinois to increase business-getting by its forces. This plaque has been conferred upon Herman Zink, general agent at Danville, Ill., for having top honors in the "on-line" agencies division, while C. W. Thacker, recently retired general agent at Indianapolis, Ind., got the first place award for Class "A" off-line agencies dealing with carloads in excess of 25,000 a year. Top rank in Class "B" (carloads between 15,000 and 24,999) went to C. T. Finley and his agency at Minneapolis, Minn., while the winner in Class "C" (under 15,000 cars a year) was L. E. Kilmer and his staff at Los Angeles, Cal.

England. The agreement also provides for an Official Classification Committee and for continuation of the National Perishable Freight Committee, National Diversion and Reconsignment Committee, and National Container Committee in conjunction with carriers in western and southern territories."

#### Conditions Imposed

The conditions imposed by the division in connection with its approval of the agreement are along lines suggested by the National Industrial Traffic League, two of them being like conditions imposed by the commission when it approved the western agreement. One of these will require elimination of provisions which would have authorized chairmen of various committees to refer actions taken by their respective committees to the Traffic Executive Association, and which would have authorized the latter's chairman to appeal association actions to the Presidents' Traffic Conference. The other will require the addition of provisions insuring that notice of intention to permit the expiration of rates bearing expiration dates which have been in effect 15 months or longer "shall be placed on the public dockets of the committees."

A third condition will require substitution of a majority-vote rule for the proposed three-fourths-vote rule in provisions covering actions by the regional committees and regional units of the General Freight Traffic Committee. A fourth will require elimination of provisions which would have excepted proposals relating to coal and coke from the general rule requiring public docketing of all proposals.

#### D. of J. Strikes Out Again

The discussion in that part of the division's report which rejected protests of the Department of Justice is generally like similar discussions in the previous reports on the western agreement and the car-hire, demurrage and storage pact. Of the department's contention that the right of independent action accorded by the agreement to individual parties is "illusory," the division said it could not agree that the "plain meaning of the text of the agreement is to be disregarded."

The department also assailed what it called the agreement's "open-end" provisions, i.e., those which are designed to permit arrangements for consideration of interterritorial matters. The division pointed out that the assailed provisions set up "no procedure" for the processing of interterritorial matters; and it assured the department that the section 5a relief it was granting by approval of the present agreement will not apply to joint consideration and actions on interterritorial matters—"unless and until an agreement establishing such procedures" is submitted to and approved by the commission. "The conclusions reached and findings made herein are based on this view and interpretation of the agreement," the division added.

With respect to the department's con-

tention that the agreement "will prevent readjustment of the rate structure necessary to remove or alleviate alleged discrimination against the West and South," the division found it "sufficient to say that the carrying out of the agreement in accordance with its terms and our order of approval will not affect the commission's ample authority under the act to correct any discrimination that may now or hereafter exist." Here the division cited the United States Supreme Court's decision upholding the commission's report in the No. 28300 class rate investigation, and then added: "Rates which are initiated under the procedures of the agreement must, before becoming effective, be filed with us and thereby become subject to all regulatory processes of the act."

#### Switchmen's 40-Hr. Case Goes to Emergency Board

President Truman on March 20 created an emergency board to investigate the dispute involving demands of the Switchmen's Union of North America for a 40-hr. week for its members. The members concerned are those employed by about 12 western roads which are represented by the Western Carriers' Conference Committee.

As members of the emergency board, the President appointed the same three individuals who comprise the board now considering the like dispute between the railroads and the Brotherhood of Railroad Trainmen and Order of Railway Conductors. They are Roger I. McDonough, Chief Justice of the Supreme Court of Utah; Gordon S. Watkins, professor of the University of California (Los Angeles); and M. J. O'Malley, former justice of the Supreme Court of Indiana. They have scheduled their first meeting on the Switchmen's case for 3 p.m. March 27 at Chicago.

#### Southern Rate-Pact Hearing Now Scheduled for April 19

The Interstate Commerce Commission has now set April 19 as the date for the hearing to be held at New Orleans, La., in connection with its consideration of the Bulwinkle-Act agreement filed by southern railroads. The proceeding is docketed as Section 5A Application No. 6, and the New Orleans hearing, to be held before Commissioner Rogers and Examiner Burton Fuller, had previously been scheduled for April 18.

#### Bill Would Bring Union Shop, Dues Check-Off to Railroads

A bill to amend the Railway Labor Act for the purpose of authorizing the inclusion in labor-management agreements of provisions calling for a "union shop" and the "check-off" of union dues has been introduced in the House by the chairman of its committee on interstate and foreign commerce—Representative Crosser, Democrat of Ohio. The Railway Labor Executives' Association is on

record in favor of legislation like that proposed in the bill, which is H.R.7789.

It would add to the Railway Labor Act's section 2 a new paragraph reading as follows:

"Notwithstanding any other provisions of this Act, or of any other statute or law of the United States, or Territory thereof, or of any State, any carrier or carriers as defined in this Act and a labor organization or labor organizations duly designated and authorized to represent employees in accordance with the requirements of this Act shall be permitted—

"(A) to make agreements requiring, as a condition of continued employment, that within sixty days following the beginning of such employment, or the effective date of such agreements, whichever is the later, all employees shall become members of the labor organization representing the craft or class of such employees; provided, that no such agreement shall require such condition of employment with respect to employees to whom membership is not available upon the same terms and conditions as are generally applicable to any other member or because of membership in any other labor organization;

"(B) to make agreements with such carrier or carriers providing for the deduction from the wages of its or their employees in a craft or class, and pay to the labor organization representing such craft or class of such employees, any dues, fees, or assessments which may be payable to such labor organization."

#### Carrier Associations Get More Time to File Reports

Division 1 of the Interstate Commerce Commission has extended until May 1 the period within which carrier associations must file the "special" reports called for in a commission order of January 12. The associations called upon to make the reports include the Association of American Railroads, the American Short Line Railroad Association, and like organizations in the highway transport, water carrier, and freight forwarder fields (see *Railway Age* of January 28, page 45).

#### Public Beginning to Sense Rail Plight — Morfa

"The bright spot in the horizon for the railroad industry is the encouraging fact that more and more attention is now being focused on railroad problems and the competitive situation in transportation generally." Speaking before the San Antonio Kiwanis Club, R. J. Morfa, chairman of the board of the Missouri-Kansas-Texas, cited the increased space which newspapers and magazines have devoted to the plight of the railroads and the need for equalizing competitive conditions in transportation. "While the railroads always have had problems, I sincerely believe that at no time in history have these problems been so threatening



as they are today. Today the situation is critical, and a solution is not in the hands of management alone."

Despite the competitive disadvantage under which railroads are now operating, Mr. Morfa said, the Katy was making a substantial contribution to the development of the Southwest. In addition to spending more than \$31,000,000 on improvements to its own property, the Katy had spent a great deal of effort toward promoting the Southwest with tourists, homeseekers and industrialists. Success of this effort is evidenced in the fact that, in 1949, more than 260 new industries located or expanded along the tracks of the Katy. The value of these industries, Mr. Morfa pointed out, was in excess of \$8,000,000, and they have furnished employment for over 2,000 persons.

### Another Coupler-Case Ruling Made by U. S. Supreme Court

On the basis that the charge to the jury "sufficiently informed the jury of the relevant legal rules," the U. S. Supreme Court on March 13 affirmed the trial court's verdict in the case of *Affolder v. New York, Chicago & St. Louis Railroad Company*. In so doing, the high court reversed the Court of Appeals for the Eighth Circuit and upheld an award of \$80,000 in personal injury damages to Mr. Affolder. Dissenting opinions to the decision were filed by Justices Jackson and Reed, and a note attached to the majority opinion said Justice Frankfurter would have dismissed the case on grounds that the writ was "improvidently granted."

The case involved an alleged violation of the Safety Appliance Acts. Cars being switched in a rail yard had failed to couple, and as the switching operations continued one cut of cars started to roll away. While trying to board and stop the runaway cars, Mr. Affolder fell under a car and lost a leg. The trial-court jury returned a verdict of \$95,000, which later was reduced to \$80,000, but the court of appeals set aside this verdict.

In the Supreme Court's opinion it was stated that the appeals court correctly found the proximate cause of the injury to have been the failure of the cars to remain coupled. However, the Supreme Court added, the appeals court "erroneously concluded" that the jury could find for the plaintiff only if it inferred "bad condition of the couplers and consequent violation of defendant's statutory duty . . ." The Supreme Court at this point recalled its recent decision in the O'Donnell case (see *Railway Age* of January 7, page 268). There it found that a "bad condition" in a coupler does not have to be shown, but failure of a coupler to perform properly in a switching operation is itself a violation of the act, rendering the railroad liable for injuries proximately resulting therefrom with neither evidence of negligence nor of diligence entering the question of liability.

The court of appeals also "found fault" with the trial judge's charge, the Supreme Court continued, on the ground that it

### No 40-Hr. Week for Robert Selph Henry



Being vice-president, public relations, of the Association of American Railroads is no 8-hr., 5-day job. It's enough to keep any

ordinary man busy at least 16 hr. a day, seven days a week.

But the present incumbent, Robert Selph Henry, is no ordinary man. For, in addition to holding down the vice-presidency, he writes books — which most authors likewise consider to be a full-time job in itself.

Col. Henry's latest publication is the 424-page "Story of the Mexican War," published by Bobbs-Merrill — "an able and most interesting work" by "a distinguished historian," says the New York Times.

His earlier publications include "Trains" (1934, 1938); "Portraits of the Iron Horse" (1937); "On the Railroad" (1938); "This Fascinating Railroad Business" (1942, 1943, 1946); "The Story of the Confederacy" (1931); "The Story of Reconstruction" (1938); and "First With the Most" Forrest" (1944).

deprived the railroad of any defense based on contentions that the couplers had not been properly opened and placed in position to operate on impact. The Supreme Court then said it could not agree with this finding, and said the "trial court directed the jury at least three times that it was for them to determine the reason why the cars separated."

In the dissenting opinions, Justice Reed said he would affirm the court of appeals finding on the failure of the trial court to make clear to the jury that the carrier was not liable if the failure to couple was due to negligence in setting the coupler. Justice Jackson said that if the appeals court considered the charge "foggy" after being generally familiar with what the trial judge was driving at, "I do not see how this court can be so confident that it did not mislead a jury of laymen." He said also that he believed the writ bringing the case into the Supreme Court had been "improvidently granted."

### Would Investigate Wiping Out of M. P. Stockholders

Twenty senators have joined in sponsoring a resolution which would direct the Senate committee on interstate and foreign commerce to make an investigation of that phase of the Missouri Pacific reorganization plan which denies participation to common stockholders of the old company and provides for only "limited participation" by the old preferred stockholders. The reorganization plan involved is that approved by the Interstate Commerce Commission in its fourth and fifth supplemental reports in the road's reorganization proceeding (see *Railway Age* of August 20, 1949, page 67, and January 14, page 48).

The resolution calling for the investigation is S.Res.241, introduced by Senator Connally, Democrat of Texas, whose

19 co-sponsors include the Senate's majority and minority leaders—Senator Lucas, Democrat of Illinois, and Senator Wherry, Republican of Nebraska. The other 17 are: Senators Johnson of Colorado, McClellan and Fulbright of Arkansas, McFarland of Arizona, Johnson of Texas, Thomas and Kerr of Oklahoma, Ellender and Long of Louisiana, Eastland and Stennis of Mississippi, Chavez of New Mexico, Douglas of Illinois, Kefauver of Tennessee, Democrats; Butler of Nebraska, Darby and Schoeppel of Kansas, Republicans.

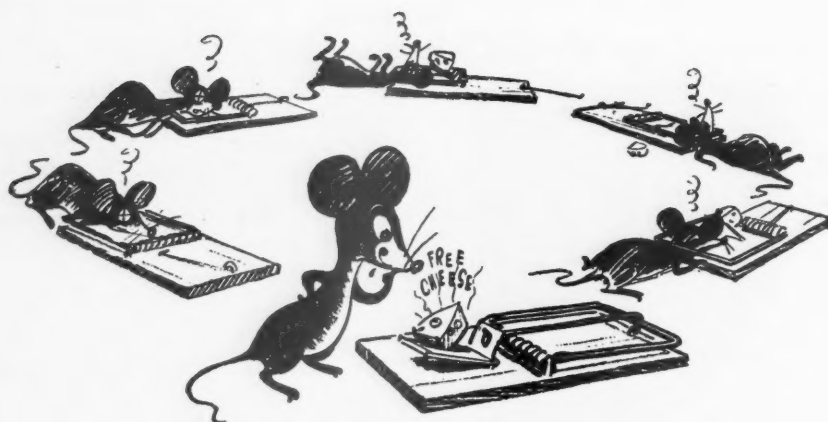
The resolution's "whereases" include statements asserting that during the period of its bankruptcy, the M.P. spent "from its earnings" approximately \$600 million for debt retirement, payments of interest, and capital improvements; that there has been "extraordinary industrial development" in the territory served by the road; and that the average earnings during the 1941-1949 period amounted to \$16.85 per share on the old common stock. "Despite this earnings record, the proposed plan of reorganization would completely wipe out the interest of the old common stockholders," the resolution adds.

It goes on to say that "unless the present plan is modified," these stockholders "will be forced to appeal" to the courts, "thereby delaying the discharge of the railroad from bankruptcy for a period of several years." The resolution calls for a report on the investigation it proposes "at the earliest practicable date."

### N.Y.C. Merchandise Car Schedules

On March 13 the New York Central released the 1950 edition of its merchandise car schedules. Simple and easy to read, this schedule gives car lines to and from points on the N.Y.C. and connections. Transit time between stations also





## WHAT WOULD YOU DO?

All that free cheese looks mighty good. Lots better than the bits of just plain food a working mouse spends all night collecting.

In fact, here's a banquet! But—is it really free?

Could the mouse, by any chance, get the answer by observing what's happened to others around him? Sure. But he won't. Being a mouse, he'll grab—or maybe just timidly nibble—and die!

What about men? How do too many of us supposedly superior animals act? Just like the mouse. Just like we had been studying up to be half-wits. And we do so in the face of vivid examples—right under our noses and all over the world—that show us we shouldn't.

Some men have grabbed at something-for-nothing, or "free cheese," in sudden and violent communist revolutions. Others have only nibbled at "free cheese" in timid and supposedly harmless collectivist bites—one after another—that will always spring the trap and result in lower living standards and loss of liberty, dignity, and spiritual well-being.

If you were the mouse above, what would you do? Why, you know that you—and all

the rest of us—would take just one look at what had happened to other "free lunchers"—and then get busy working at making a good, or even better, living in tried and proved and honest ways. In our own affairs as men—shouldn't we act as sensibly as we know we would as mice?

We have gotten our high level of living—the envy of the rest of the world—because we invented and invested in and used arm-lengthening tools that enabled each of us to do more for each other.

People elsewhere have gotten their low level of living—with slavery thrown in—through trying suddenly or gradually to live better by resisting improvements; and by turning to wasteful governments to redistribute the then rapidly falling level of output.

*We can live better only by producing more for each other. The very best way to do that is through having high individual incentives to create, work, save, invest—and then to earn both from our personal efforts and by having our savings work for us. Are we going to prove we're mice—or men?*

—From the Commentator, of the General Electric Company

is given, while cars that travel in "Pace-maker" service are clearly indicated.

Also included in this publication is a list of N.Y.C. freight traffic representatives, their street addresses and office telephone numbers.

### Railroads 30 Years Behind in Collective Bargaining—Unions

"Management in the railroad industry seems to be at least 30 years behind the times and completely opaque in its lack of vision as applied to collective bargaining," H. P. Melnikow testified in behalf of the Order of Railway Conductors and the Brotherhood of Railroad Trainmen at the emergency board hearings in Chicago on the demands of the two unions for a 40-hr. week in yard service and rule changes. Mr. Melnikow, director of the National Labor Bureau—an organization which furnishes techni-

cal and professional assistance to trade unions—declared that "with rising productivity, hours of work need to be reduced as a partial offset to the increased man-hour output if we are to avoid a repetition of what took place during the great depression.

Mr. Melnikow concluded that "nobody can make a sound estimate on (what their 40-hr. proposal would cost) because so much depends on what management will do in various ways, and it may be possible that the number of man hours will be so reduced that it will not cost the railroads anything."

The hearings entered their 15th day on March 22. Mr. Melnikow held the stand for eight continuous sessions, citing statistics aimed to convince the board of the increased productivity of the conductors and trainmen, the poor relative status of their earnings as compared to those of men in other industries, and the

added "exposure to hazards" of a work-week in excess of 40 hr.

W. E. B. Chase, vice president of the Brotherhood of Railroad Trainmen, began testimony on March 22 supporting the unions' so-called road issues. The rule changes which the two brotherhoods seek for both road and yard members were outlined in *Railway Age* of March 11, page 97.

Because of the slow pace at which the hearing is progressing all parties agreed on March 23 to request an extension of the deadline for the emergency board's report. The request will seek postponement of the report from the original date of March 25 to June 1.

### "Railroad 'Rithmetic'" Taught by B. & O.

As part of a continuing educational relations program, the Baltimore & Ohio has published a "Railroad 'Rithmetic'" for school use. The book, in two volumes, provides practical problems from railroading for school teachers to use in illustrating arithmetic principles.

"Railroad 'Rithmetic'" was edited by Olive W. Dennis, research engineer for the B. & O. at Baltimore, Md., with assistance and advice of members of the school system in Baltimore and Washington, D. C. Book I, designed for use in elementary schools, includes problems in simple arithmetic, from reading and writing of numbers through addition, subtraction, multiplication and division, decimals and percentages, measuring of perimeters and areas, and simple graphs. Book II, for secondary schools, provides practical problems in more advanced work, including percentages, tables, measurement of space, volume, distance, rate and time, advanced graphs and scale drawings.

Book I contains 68 pages, Book II has 48. Both are distributed free of charge to school principals and teachers requesting them through the public relations department of the B. & O. at Baltimore. Amply illustrated, the two volumes are especially designed to appeal to the natural interest all children have in railroads and trains, and so add zest to the working out of arithmetic problems that seem dull when divorced from reality.

### Gordon Asks Revision of C.N.R. Financial Set-up

Early adjustment of the Canadian National's "top-heavy" debt structure, and a system of accounting that would permit presentation of "a true picture" of its financial position, were advocated last week by C. N. R. President Donald Gordon in his first official appearance at Ottawa, Ont., since he became head of the road.

In presenting to the Royal Commission on Transportation a lengthy brief on the road's financial set-up, Mr. Gordon said in part:

"Since the railway is public property, the public is entitled to receive a report on its annual operations in a form comprehensible to all. . . . But because of

the intricate nature of the financial structure and the complexities of the operating disabilities, present circumstances make the presentation of such a report impossible. . . . The result is that the magnitude of the deficit continues to overshadow all other considerations. . . . It is easy, therefore . . . to ignore the good and publicize the bad even if . . . the false picture reacts to the disadvantage of our company and our country.

"The view is held that the railway is one that cannot be operated at a profit. While informed opinion, understanding the situation, makes due allowance, it is uneasy when, as is inescapable under existing circumstances, the deficits are large. Uninformed opinion, representing the mass of the thinking, makes no allowance at all and lays the blame on management and not on the real causes. It is inevitable that these factors . . . should be injurious to the morale of those, officers and employees alike, who are responsible for the company's administration and operation."

Also last week, at Ottawa, Canadian Finance Minister Douglas Abbott asked for early Parliamentary appropriation of \$46,523,350 to meet 1949 deficits of the C. N. R. and of Trans-Canada Airlines. Of the \$42-million railway deficit, \$16,333,325 was on western and U. S. lines.

### Cudahy Packing to Move General Offices to Omaha

The Cudahy Packing Company is moving its general offices progressively during the coming year from Chicago to Omaha, Neb. The general office transportation department will leave Chicago after the close of business on March 31, but a Chicago transportation representative will be maintained as contact man and expeditor for transportation matters generally.

### Bangor & Aroostook Publishes "Travel Talks"

"Travel Talks," a monthly pictorial-news publication containing both original articles and releases and reprints from railroad and allied sources, was inaugurated this month by the Bangor & Aroostook. The new publication, intended for general distribution, will be edited by J. F. Smith, director of publicity and passenger traffic manager for the railroad at Bangor, Me.

### Knudson Unopposed at Hearing On Appointment to the I.C.C.

No opposition to the appointment of James K. Knudson as a member of the Interstate Commerce Commission to succeed the late Carroll Miller was expressed March 22 when the Senate committee on interstate and foreign commerce held a public hearing on the appointment. Final action by the committee was delayed, however, when the executive session scheduled to follow the hearing was cancelled. The next regularly scheduled executive session of the committee is April 12.

During the hearing Mr. Knudson appeared before the committee, but other

than a brief review of his experience and background there was little questioning. His appointment by President Truman had been forwarded to the Senate on February 14.

The committee's acting chairman, Senator McMahon, Democrat of Connecticut, read into the record a letter from Senator Thomas, Democrat of Utah, in which Senator Thomas approved of Mr. Knudson's appointment. Mr. Knudson, a Republican, is a native of Utah. The other Utah senator, Mr. Watkins, took the stand briefly at the hearing to personally endorse Mr. Knudson.

### Canadian Transport Minister Outlines Railway Prospects

"Forthcoming developments which will take place in Canada in the next 15 years are more than sufficient to insure a healthy rail situation," Canadian Transport Minister Lionel Chevrier told the Board of Trade Club of Toronto, Ont., recently, as he urged its members to "think seriously of the problems of transportation with a view to rectifying the unsatisfactory trend which has developed in recent years."

The traffic which the St. Lawrence Seaway "would create for our railways"; "the industrial development which will be brought about by the production of hydro-electric power"; development of Quebec-Labrador iron ore deposits; increasing production of Steep Rock iron mine in northwest Ontario, and mineral discoveries at Lynn Lake in northwestern Manitoba were among the factors which he mentioned as being likely to "give added impetus to railway development."

He warned, however, that such problems as the unbalanced position between revenues and expenses, litigation over freight-rate applications, need for revision of the capital structure of the

Canadian National, and highway competition would have to be solved to enable the railways to benefit by present and future industrial development of Canada.

He laid particular stress on the need for revision of the C.N.R.'s capital structure. As it now stands, he said, it is apt to be "demoralizing" for the railway's 115,000 employees, and "also conveys to the mind of the public that the Canadian National is not efficiently operated, for few of us are sufficiently informed of the intricacies of railway accounting to be able to determine that such is not the case." With these points in mind the government has asked the Royal Commission on Transportation to "analyze the capital structure of the Canadian National with a view to revising it and placing it on a basis comparable with that of other railways in Canada and the United States."

### Senate Transport Hearings Postponed to April 4

The subcommittee on domestic land and water transportation of the Senate committee on interstate and foreign commerce has postponed to April 4 the opening session of public hearings scheduled by the subcommittee in its study of the current transportation situation. The hearings were originally scheduled to begin March 30. (See *Railway Age* of March 18, page 82.)

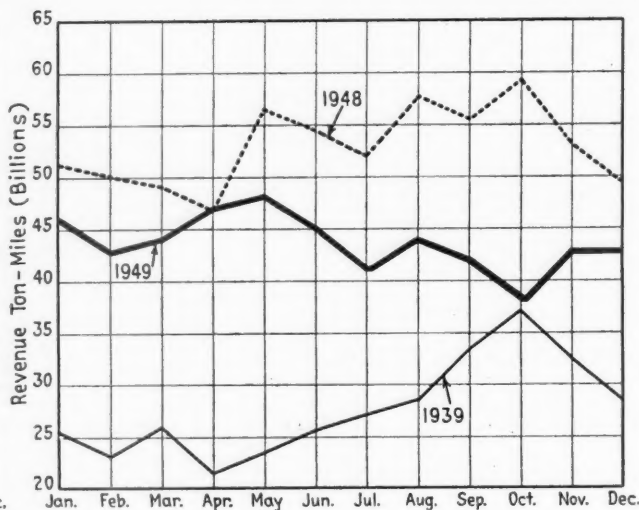
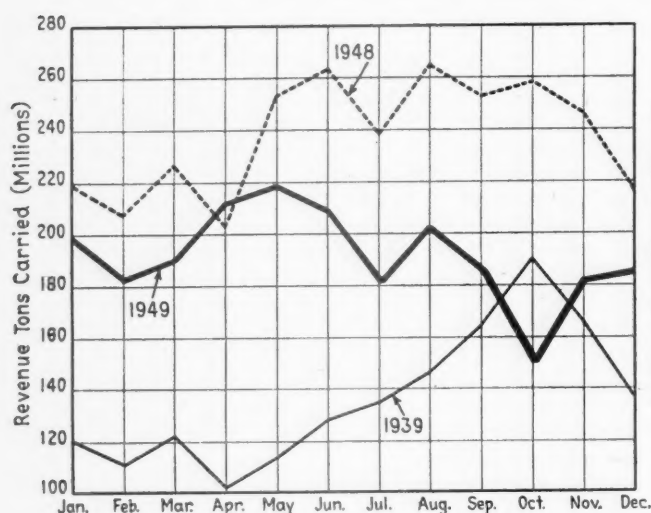
### Freight Car Loadings

Loadings of revenue freight in the week ended March 18 totaled 725,570 cars, the Association of American Railroads announced on March 23. This was an increase of 17,608 cars, or 2.5 per cent, over the previous week, an increase of 117,648 cars, or 19.4 per cent, above



One of the exhibit cars of the "More Power to America Special" of the General Electric Company's apparatus department nearing completion in the Worcester, Mass., plant of the Pullman-Standard Car Manufacturing Company (see *Railway Age* of February 11, page 54). The train, which will exhibit a complete range of electrical apparatus, is to begin a nationwide tour of key industrial centers this spring





Revenue tons and revenue ton-miles—1949 compared with 1939 and 1948

the corresponding week last year, and an increase of 25,977 cars, or 3.7 per cent, over the equivalent 1948 week.

Loadings of revenue freight for the week ended March 11 totaled 707,962 cars, and the summary for that week as compiled by the Car Service Division, A.A.R., follows:

REVENUE FREIGHT CAR LOADINGS For the week ended Saturday, March 11			
District	1950	1949	1948
Eastern .....	130,834	131,551	154,801
Allegheny .....	145,838	152,333	172,658
Pocahontas .....	65,338	56,244	72,446
Southern .....	128,544	124,016	138,175
Northwestern .....	69,424	77,698	80,116
Central Western .....	108,774	110,496	116,483
Southwestern .....	59,210	56,988	61,807
Total Western Districts .....	237,408	245,182	258,406
Total All Roads .....	707,962	709,326	796,486
Commodities:			
Grain and grain products .....	39,904	48,717	34,947
Livestock .....	7,296	9,038	8,424
Coal .....	191,978	139,081	194,679
Coke .....	9,270	15,453	14,567
Forest products .....	36,693	37,863	44,348
Ore .....	9,127	14,455	13,461
Merchandise i.c.l. .....	84,341	96,749	115,794
Miscellaneous .....	329,353	347,970	370,266
March 11 .....	707,962	709,326	796,486
March 4 .....	574,395	705,552	791,984
February 25 .....	546,791	688,128	790,910
February 18 .....	560,116	697,335	804,937
February 11 .....	568,841	699,442	733,870

Cumulative total  
10 weeks .....

**In Canada.**—Carloadings for the week ended March 11 totaled 71,103 cars, compared with 71,552 cars for the previous week, and 74,478 cars for the corresponding week last year, according to the compilation of the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada:		
March 11, 1950 .....	71,103	29,318
March 12, 1949 .....	74,478	33,626
Cumulative totals for Canada:		
March 11, 1950 .....	671,496	281,092
March 12, 1949 .....	724,542	321,945

### "California Zephyr" Passes First Birthday Mark

A dinner of the Pacific Coast chapter of the Railway & Locomotive Historical Society, marking the first birthday of the "California Zephyr," was held on March

20 in the dining car of the vista-domed streamliner during its layover in the Western Pacific's Oakland yards. Members of the chapter had as their guest Leslie Moore, president of the Virginia & Truckee, which is due shortly to cease all operations. Following the dinner, the members listened to a talk by C. D. Allen, locomotive designer, and viewed a new color motion picture, "California Zephyr."

### Reverses Division on Status Of Allegheny & South Side

Reversing previous determinations by its Division 3, the Interstate Commerce Commission has now found that the Allegheny & South Side, a switching line in Pittsburgh, Pa., is a common carrier by railroad subject to the Interstate Commerce Act. The commission finding was embodied in its report on reconsideration in the No. 29901 proceeding.

Division 3 made two reports finding that the road was not a common carrier—one in 1921 and the other in November, 1948. The latter, now reversed by the commission, came out of an investigation instituted as a result of an inquiry from the Bureau of Internal Revenue as to whether the 1921 determination still represented the view of the commission. The reconsideration of the case by the entire commission was in response to a petition filed by the Brotherhood of Railroad Trainmen, which intervened to seek the finding now made so that the road would be considered an employer under the Railway Labor Act and the Railroad Retirement and Unemployment Insurance Acts.

Allegheny is a wholly owned subsidiary of the Oliver Iron & Steel Co. It performs intraplant operations for that company and switching services for the Pennsylvania and the Pittsburgh & Lake Erie, to and from some 13 industries and two team tracks. Those roads and Oliver own all of the tracks involved in Allegheny's operations; and the two roads perform "all of the incidents of operation, such as billing, collection of freight

charges and demurrage, handling of claims, and the furnishing of information."

Moreover, Allegheny pays no per diem for the cars used, and is not a party to any of the trunk lines' tariffs; but it does file a Class C switching carrier annual report with the Pennsylvania Public Utility Commission and monthly reports with the I.C.C. relating to hours of service, locomotive inspection, and accidents. The compensation it receives from the trunk lines for performing the switching services is the actual cost incurred with no compensation paid on cars switched to Oliver. The latter, however, collects a published shipper allowance from the trunk lines for switching services on line-haul traffic performed for it by Allegheny.

Division 3 concluded that Allegheny was not a common carrier subject to the Interstate Commerce Act because its transportation operations were performed as agent of the trunk lines. Referring, with citations of pertinent court decisions, to the "well-settled rule that the status of a transportation agency as a common carrier depends upon what it does," the commission proceeded to its reversal of the decision.

"Since Allegheny's operations," it said, "are admittedly transportation by railroad and since 'what it does' is the test for determining common carrier status, it would appear that this terminal facility is a common carrier under the act unless there are other factors present which would necessitate a contrary conclusion."

Following through on the latter basis, the commission examined contentions to the effect that the agency arrangement, the non-ownership of tracks, and the failure to perform the "incidents of operation," left Allegheny without common-carrier status. It found that "neither track ownership nor the performance of the incidents of operation . . . or the payment of per diem for car use, appear to be required under the statutory definition of a common carrier" [section 1(3)(a) of the act]. As to the agency arrangement, the commission cited the court decision



under which the Brooklyn Eastern District Terminal, which operates under contracts with line-haul roads, was held to be a common carrier under the Hours of Service Act; and decisions wherein stock yard companies, performing loading and unloading services as agents of railroads, have been found to be common carriers subject to the Interstate Commerce Act.

The report noted the dissent of Commissioner Aitchison; and that Chairman Johnson did not participate in the disposition of the case.

### "Cincinnati Limited" Re-Equipped

A new "Cincinnati Limited" between New York, Newark, N. J., Philadelphia, Pa., and Cincinnati, Ohio, is now in daily operation, with new types of sleeping car accommodations, modern overnight coaches and dining cars, and new luxury features for Pullman and coach passengers, the Pennsylvania has announced.

Observation and dining cars, and Pullman and coach lounge cars, have been completely redesigned and improved, railroad officers said, as have all types of private rooms in the sleeping cars. Another innovation is the introduction on the train of the twin-unit dining car.

The "Cincinnati Limited" is one of nine Pennsylvania East-West services to be equipped with new trains as part of the company's postwar equipment improvement program. The two trains required for the daily service, with their Diesel-electric locomotives west of Harrisburg, Pa., cost approximately \$4,500,000.

### No Incentive For Rail Investment

Continued apathy of the public to transportation problems will lead to socialization of the nation's transport, Z. G. Hopkins, of the Association of Western Railways, Chicago, told the Pacific Coast Transportation Advisory Board in Los Angeles, Cal., on March 16. He asserted that incentive for operation of railroads "appears to have been extended only to the tax-gatherers, to employees encouraged to enforce ever-rising wage levels, and to supply men with something to sell to railroads at advancing prices".

In discussing two 10-year periods, the one ending in 1929 and the other ending in 1949, Mr. Hopkins observed that in the latter period the railroads performed something over 30 per cent greater service volume than in the former. "Increases in operating revenues, due to advances in rate levels," he said, "were more than absorbed by advances in employee wages and augmented taxes. Federal income taxes in the decade ending with 1949 were \$5 billion 146 million more than in the decade ending with 1929. Total cash interest and dividend payments in the latter period, however, were about \$2¼ billion less."

It is clear, Mr. Hopkins declared, that

little or no progress has been made toward added incentive to such private investment as is necessary to continuing improvement in service, and to maintenance of railroads under private ownership.

### Chicago & Western Indiana Completely Diesel Powered

Two years after arrival of the first Diesel locomotives on its property, operations of the Chicago & Western Indiana have become 100 per cent Dieselized. Recent receipt of the last of 12 switchers ordered from the American Locomotive Company has enabled retirement of all steam power from operating work. Present plans calls for retention of two of the more modern steam locomotives as an emergency source of steam for the company's coach yard. However, it is not intended that they be used further as a source of motive power for train movements.

Two 1,000-hp. switching units built by Electro-Motive Division of General Motors, and 12 1,000-hp. switchers built by Alco-General Electric replace 27 steam locomotives formerly required for regular operations. Except for the two E.-M. units, all the Diesels have steam generators, permitting flexible assignment of power between switching and suburban service.

### Chicago's First Rail Line To Drop Passenger Service

Permission to discontinue the last passenger train service operating over Chicago's pioneer railroad line beyond West Chicago, has been granted the Chicago & North Western by the Illinois Commerce Commission. The line—now a branch—was built between 1848 and 1853 as the Galena & Chicago Union, intended to

reach the Mississippi river near Dubuque, Iowa, or Galena, Ill., where numerous lead mines were then operating. The importance of these mines rapidly diminished, during construction of the road, and it was never completed beyond Freeport, its present western terminus. Instead, attention was directed to the agricultural wealth of the state of Iowa, and in 1854, construction of what is now the C. & N. W.'s main line was begun.

The centennial of the Galena's first train operation was the theme for Chicago's Railroad Fair in 1948. Present day passenger service through the lightly populated area has been operated at an annual loss to the North Western of about \$50,000.

### Senate Confirms Mitchell's Reappointment to the I.C.C.

The Senate on March 16 confirmed President Truman's reappointment of Interstate Commerce Commissioner Richard F. Mitchell for a new seven-year term expiring December 31, 1956. The nomination had been reported favorably from the Senate committee on interstate and foreign commerce on March 8, but Senate action was held up for a week at the suggestion of that committee's chairman, Senator Johnson, Democrat of Colorado.

When he made the suggestion on March 9, Senator Johnson explained that he desired to have the nomination "go over" until he received and determined the nature of a "protest" which, he understood, "a citizen of Iowa" desired to enter. The senator did not identify the citizen or make the protest public. Nor was there any reference to it in the Senate on March 16, when the nomination was confirmed unanimously. Commissioner Mitchell is an Iowan. He has been a member of the commission since January, 1947, when he was appointed by Presi-



The Southern recently dedicated this new \$2-million bridge across the Tombigbee river at Jackson, Ala. On the railroad's Mobile division, the new bridge is said to be the first major structure built under the terms of the Truman-Hobbs Act of 1940, under which the federal government shares the cost of bridges over navigable waterways



Courier-Journal & Louisville Times  
J. B. Hill (right), president of the Louisville & Nashville, receives from William S. Spieth, of American Steel Foundries, as J. R. Watt, L. & N. general purchasing agent (center), looks on, a hand-done needlework "sampler" congratulating the railroad on its 100th anniversary, which is being celebrated this month

dent Truman for the unexpired term of the late Claude R. Porter.

### Truck Traffic Up 3.4 Per Cent In Last Year's Fourth Quarter

Class I intercity motor carriers hauled 3.4 per cent more tons of freight in last year's fourth quarter than in the comparable 1948 period, according to American Trucking Associations. This was relatively a poorer showing than the truckers made in last year's third quarter, when their tonnage was 6.7 per cent above that of the same 1948 period.

The regional comparisons of 1949's fourth-quarter traffic with that of 1948 showed changes ranging from a decrease of 5.4 per cent in New England to an increase of 18.8 per cent in the Rocky Mountain region. The aggregate fourth-quarter tonnages hauled in 1949 and 1948, respectively, were given as 35,222,315 tons and 34,068,652 tons.

### February Operating Revenues 13.8% Below Last Year

From preliminary reports of 81 Class I roads representing 81.2 per cent of total operating revenues, the Association of American Railroads has estimated that February gross amounted to \$472,646,154, a decrease of 13.8 per cent below the \$548,610,449 reported for the same 1949 month. Estimated February freight revenue was \$387,349,555, as compared with February, 1949's \$453,325,282, a decrease of 14.6 per cent. Estimated passenger revenue was \$47,002,897, compared with \$54,506,664, a decrease of 13.8 per cent. All other revenue was down 6.1 per cent—\$38,293,702, compared with \$40,778,503.

### Henry B. Oatley Receives Honorary Degree from Stevens

Henry B. Oatley, chairman of the boiler code committee of the American Society of Mechanical Engineers and retired vice-president of the Superheater

Company (now Combustion Engineering-Superheater, Inc.), has been awarded the degree of doctor of engineering by Stevens Institute of Technology. An alumnus of the University of Vermont, Mr. Oatley spent his first 10 years after graduation as a test engineer with the American Locomotive Company and then joined Superheater, which he served successively as mechanical engineer, chief engineer and vice-president in charge of engineering. After his retirement from the last-mentioned position he became a consulting engineer.

Additional General News appears on pages 84 and 85.

## SUPPLY TRADE

### National Malleable Had Net Profit of \$2,624,045

Net profit in 1949 of National Malleable & Steel Castings Co. was \$2,624,045, after using a \$600,000 reserve for future inventory losses to offset the effect of the decline in scrap prices during the year. The profit is equal to \$5.53 a share on 474,861 shares, compared with \$3,041,181, equal to \$6.40 a share, in 1948. There are indications of favorable business in the immediate future, Cleve H. Pomeroy, president, said, and revived activity is also being felt in the market for railroad car repair parts.

The company is asking stockholders to approve an increase in authorized stock from 600,000 to 1,000,000 common shares. "The board has no present plans to issue additional shares," Mr. Pomeroy said. "It is thought desirable to be in position to act promptly, if favorable opportunities arise, to acquire additional business which would add to earnings and could be paid for in whole or part by issuance of common shares. It may also become advisable at some future time to increase corporate funds by sale of additional common shares."

### Chicago Railway Equipment Net Sales Were \$4,051,638

Net sales of the Chicago Railway Equipment Company and subsidiaries last year were \$4,051,638, compared with \$9,724,203 in 1948, according to the annual report. Net profit was \$69,863, compared with \$451,643. "Capital expenditures during the year were reduced to the minimum necessary to properly maintain the plants," Samuel J. Walker, president, said in the report. "Further plant improvements are being deferred for the time being. . . It is felt that the outlook for 1950 should be reasonably satisfactory."

R. L. Terrell, general parts manager of the Electro-Motive Division, General Mo-

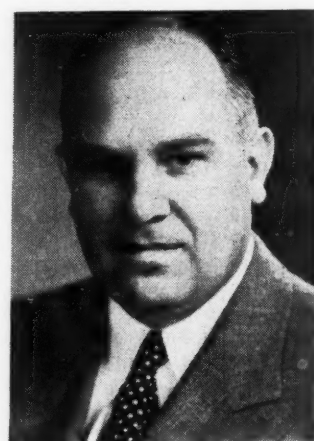
tors Corporation, LaGrange, Ill., has been appointed assistant regional manager, New York region, effective April 1. He is succeeded by Marvin Anderson, assistant general parts manager.

Born at Dayton, Ohio, in 1918, Mr. Terrell received his preparatory education in that city. In 1936 he joined the General Motors Research Laboratory at Detroit, Mich., as an apprentice, and subsequently served 1½ years in the Army-Air Forces as an engine mechanic. He returned to the G. M. Research Laboratory for a short period before



R. L. Terrell

joining Electro-Motive Division in 1939 as a service engineer. Two years later he became an installation engineer on G. M. pancake Diesels being installed in SC boats. In 1942 he entered the U. S. Navy as a lieutenant, junior grade, serving in England as an advisor on maintenance of American-built engines on Lord Mountbatten's staff. Mr. Terrell later served with the Bureau of Ships at Washington, D. C., and until V-J day was



Marvin Anderson

head of the Navy's world-wide internal combustion engine reclamation program. Leaving the Navy in November, 1945, as lieutenant-commander, he returned to E.M. as sales representative at Washington. He was appointed district sales manager there in October, 1946, becoming



general parts manager at LaGrange in October, 1948.

Mr. Anderson attended the Springfield, Mo., public schools and Drury College, and from 1925 to 1936 gained experience in storage and issue of many kinds of merchandise. Subsequently he joined G.M. Parts Division, holding various supervisory posts in warehousing throughout the country. In April, 1942, he became a warehousing specialist on the staff of the Chief of Ordnance at Washington and in 1943 was promoted to chief of planning for the Storage and Issue Section, Office of the Chief of Ordnance. Mr. Anderson went with E.M. in September, 1944, as supervisor of warehousing operations. He was advanced to parts distribution manager in May, 1948, and further promoted to assistant general parts manager the following October.

The **Howard P. Cook Company** of Bridgeport, Conn., and Chicago, has been appointed by the **Beaver Tractor Company**, Stratford, Conn., to handle sales of Beaver tractors to railroads throughout the country.

**A. H. Moorhead**, sales manager of the **Locomotive Finished Material Company** at Atchison, Kan., has been appointed vice-president in charge of sales. **Harry C. Gunetti** has assumed the duties of works manager. Mr. Gunetti was formerly vice-president and general manager of the **Joshua Hendy Corporation**.

**Phil Norton**, general sales manager of the **Wisconsin Motor Corporation**, Milwaukee, Wis., has been appointed a vice-president.

The **Vapor Car Heating Company of Canada**, Montreal, Que., (affiliated with **Vapor Heating Corporation**, Chicago), has purchased a second plant in Montreal, containing 33,000 sq. ft. of factory space, almost doubling that of the present plant, which has 40,000 sq. ft. Also included in this purchase are an additional 75,000 sq. ft. of property for future expansion. The new plant will be used to manufacture Vapor steam generators for Canadian railroads.

**W. N. Young**, special engineer—system, Baltimore & Ohio at Baltimore, Md., has been appointed chief engineer of the **McDowell Company**, Cleveland, Ohio.

**A. L. McNeill**, vice-president of the **Okonite Company**, has been placed in charge of a newly created national railroad sales department, with the title of vice-president, national railroad sales.

**O. S. Dollison**, formerly vice-president and general manager of the Republic Rubber division, has been elected vice-president of the **Lee Rubber & Tire Corp.** **E. M. Ikirt**, formerly assistant treasurer of the rubber division, has been appointed general manager of that division.

**H. H. Morgan**, vice-president and chief engineer of the **Robert W. Hunt Company**,

has been appointed also general manager.

## OBITUARY

**Frederick J. Fischer**, who retired last August as sales representative of the **Simmons-Boardman Publishing Corporation**, publishers of *Railway Age* and other transportation papers, died on March 16. He was 60 years old.

## ABANDONMENTS

**Application** has been filed with the Interstate Commerce Commission by:

**Bennettsville & Cheraw.**—To abandon its entire line, 23.4 mi., between Kollocks, S. C., and Blenheim, because of "insufficient revenue and no prospect of anything to produce enough revenue to warrant future operations."

**Denver & Intermountain.**—To abandon operations over 14.9 mi. from Denver, Colo., to Golden, and 16.4 mi. from Denver to Lindsay. The trackage is owned by the **Denver Tramway Corporation**, and the D.&I.'s lease to operate over the lines terminates July 1. Meanwhile, the tramway company is asking the **Colorado Public Utilities Commission** for authority to abandon the line. A coal mine at Leyden, that furnished about 95 per cent of D.&I. revenue was closed March 1.

**Lehigh Valley.**—To abandon 9.7 mi. of single track branch line between Noxen, Pa., and Splash Dam. Permission to abandon this segment was denied in 1942 and 1944 because a plant shipping natural ice from Splash Dam required an outlet. The present application says the ice company went out of business in September, 1949, and that there are no other shippers on the line.

Division 4 of the I.C.C. has authorized:

**Alton & Southern.**—To abandon 5.7 mi. of its line between "Reeb Station," Ill., and Centerville, which has not been actively operated since December 9, 1948.

**Chicago & Eastern Illinois.**—To abandon its Freeland Park branch, 10.7 mi., between Milford Junction, Ill., and Freeland Park, Ind.

**Chicago & North Western.**—To abandon its branch line between Lyons, Ia., and Anamosa, 68.2 mi. The commission's report included a comparison presented by the C.&N.W. to show that traffic over the line for the past three years has been approximately 27 per cent below the annual average of 1939-44. The line is paralleled by hard-surfaced highways for its entire length, the commission said, and operations over it "have been conducted at substantial losses." Examiner **Robert Romero** had recommended that the commission authorize the abandonment. (See *Railway Age* of November 19, 1949, page 218).

**Colorado & Southern.**—To abandon 6.5 mi. of its Chatfield branch, between Sheridan, Colo., and Chatfield. No traffic has moved over the line since December 17, 1947.

**International.**—To abandon approximately 4 mi., the so-called Gulf line, at Lockport, N. Y., and 0.6 mi. in Main and Elm streets of the same city; and to

abandon operation over 13 mi. of line leased from the Erie between Lockport and North Tonawanda and trackage right operation over 0.75 mi. of New York Central line in the Lowertown section of Lockport. Division 4's report said this abandonment terminates the last of International's freight operations, and therefore did not impose the so-called Burlington conditions for protection of employees. The division dismissed, as not of public convenience or necessity, an N.Y.C. request to have the International remove certain overhead and underpass structures that carry the latter's tracks over N.Y.C. tracks at Lockport. In authorizing the abandonment, the commission noted that the N.Y.C. will continue to furnish service over its own tracks at Lowertown, and the Erie will resume operation over its own line between Lockport and North Tonawanda. At the same time the commission said that nothing in the present report was to be construed as an expression of its opinion as to the Erie's pending application for authority to purchase the International's Gulf line at Lockport and acquire the International's rights to use N.Y.C. tracks and facilities in the Lowertown section.

**Norfolk Southern.**—To abandon 9.5 mi. of branch line between Bayboro, N. C., and Oriental. Train service over the line already had been restricted to carload freight, with other service being provided by a bus company subsidiary of the N.S.

## ORGANIZATIONS

A "Perfect Shipping Clinic" and two addresses on prevention of loss and damage to freight will feature the April 3 meeting of the **Traffic Club of Newark**, N. J., as part of the club's observance of "Perfect Shipping Month." The clinic, in the McCarter gallery of Newark's Robert Treat Hotel, will be open for inspection at 6:30 p.m., and again following the meeting. It will include displays by transportation agencies of proper stowage of freight and preventive measures to reduce loss and damage, and exhibits by manufacturers of materials available to improve packaging, strapping, marking, sealing, etc. The meeting, beginning at 8 p.m., in the same hotel, will include talks by H. H. Pratt, general traffic manager of the **Crucible Steel Company of America**, and president of **The Atlantic States Shippers Advisory Board**, on "Industry Demands a Reduction in Freight Claims"; and by P. M. Shoemaker, vice-president of the **Delaware, Lackawanna & Western**, on "The 1950 Approach of the Railroads Toward Eliminating Avoidable Loss and Damage." Invitations to participate in the "Perfect Shipping" program have been extended by the Newark club to the Newark Chamber of Commerce, the Traffic Clubs of Jersey City and Trenton, the North Jersey (Paterson) and Raritan (New Brunswick) Traffic Clubs, the New Jersey Industrial Traffic League and state chamber of commerce, and the Materials



Handling Society of New Jersey. George R. Marr, division freight agent for the D. L. & W. at Newark, and chairman of the club's educational, speakers and papers committee, is in general charge of the program.

The Midwest chapter of the **National Railway Historical Society** will hold its monthly business meeting on April 1 in the new Cleveland, Ohio, dormitory of the Wheeling & Lake Erie district of the New York, Chicago & St. Louis. Dinner will begin at 7:30 p.m., and after a short business meeting G. E. Durham, assistant vice-president—operation of the Nickel Plate, will speak.

The **Traffic Club of St. Louis** "Freight Forwarders Day" luncheon will begin at 12:15 p.m. on April 3 in the Gold room of the Jefferson Hotel. The guest speaker will be Giles Morrow, executive secretary and general counsel, Freight Forwarders Institute, Washington, D. C., who will discuss the "Freight Forwarder and National Transportation Policy."

## EQUIPMENT AND SUPPLIES

### C.P.R. Plans \$400 Million Expenditures Over 5 Years

A tentative \$400,000,000 equipment and improvement program has been planned by the Canadian Pacific to lower operating costs, W. A. Newman, chief of motive power and rolling stock, said recently in Ottawa, Ont., before the Royal Commission on Transportation. Over the five years during which the plan would be put into effect, he added, the road would spend about \$263,000,000 for rolling stock, \$40,000,000 on ordinary improvements, and \$95,700,000 in extraordinary improvements, to road property.

Mr. Newman said the program would result in estimated net savings of \$11,700,000 a year, after deductions for interest on the investment and depreciation from estimated gross savings of \$25,900,000. Savings would be effected through more efficient operation and through haulage of more freight as the result of expansion on a nationwide basis.

### Equipment on Order

Class I railroads and railroad-owned and controlled refrigerator car lines had 27,466 new freight cars on order March 1, an increase of 8,207 cars above the February 1 total, according to the Association of American Railroads. On March 1, 1949, the same roads and car lines had 78,061 cars on order.

Locomotives on order March 1 by Class I roads totaled 1,111 including 1,095 Diesel-electrics, 12 steam, and 4 electrics. On March 1, 1949, there were on order

1,495 locomotives, including 1,452 Diesel-electrics and 43 steam.

The 27,466 freight cars on order March 1 included 18,551 to be built in railroad shops, and 8,915 on order from contract builders. The breakdown by types of cars was: Box, 13,993, including 13,493 plain and ventilated and 500 auto; gondolas, 4,743; open-top hoppers, 3,577; covered hoppers, 1,445; refrigerator, 2,069; flat, 1,139; stock, 500.

Freight cars placed in service in this year's first two months totaled 4,617, of which 2,294 were installed in February. Locomotives installed in the two months totaled 286, of which 185 (all Diesel-electrics) were placed in service in February.

## FREIGHT CARS

The **Minneapolis, St. Paul & Sault Ste. Marie** recently ordered 75 70-ton covered hopper cars from the American Car & Foundry Co., not, as reported in the *Railway Age* of March 11, from its own shops.

The **Missouri Pacific** has ordered 1,010 freight cars from its DeSoto, Mo., shops. Included in the order, which is in addition to the cars recently ordered for the Missouri-Illinois (see *Railway Age* of March 11, page 104), are 500 50-ton box cars (250 for the Gulf Coast Lines), and 510 70-ton hopper cars.

The **Spokane International** has ordered from the American Car & Foundry Co. 23 70-ton covered hopper cars at an estimated cost of \$170,000.

## LOCOMOTIVES

### S.P. Places \$17.5 Million Order for Road Diesels

The Southern Pacific has ordered 108 Diesel-electric road locomotive units costing \$17,500,000. Twenty-two 4-unit 6,000-hp. freight locomotives will be built by the Electro-Motive Division of General Motors Corporation and two 4-unit 6,000-hp. passenger locomotives by American Locomotive-General Electric Companies. Twelve 1,500-hp. freight locomotives were ordered from the Baldwin Locomotive Works. Deliveries are scheduled to start in July and be completed by the end of the year.

The **Chesapeake & Ohio** is inquiring for 21 Diesel-electric locomotive units, to cost an estimated \$3,750,000, and one steam-powered car ferry, to cost about \$4,500,000. The new locomotives, which will be used to Dieselize completely the Canadian division of the Pere Marquette district, include five 1,200-hp. switching and 16 1,500-hp. road units. The new car ferry will hold 34 freight cars, as well as passengers and automobiles, and is intended for service on Lake Michigan between Ludington, Mich., and western points. The locomotives and car ferry are being acquired as part of an overall plan to improve the C. & O.'s freight service

between Buffalo, N. Y., and Suspension Bridge, and Milwaukee, Wis., Manitowoc and Kewaunee, via Detroit, Mich., and Sarnia, Ont.

## SIGNALING

The General Railway Signal Company has received orders for four sets of intermittent inductive train control equipment. One set was ordered by the Baldwin Locomotive Works for installation on a Diesel-electric switching locomotive for the **Lehigh Valley**. Three sets of equipment were ordered by the American Locomotive Company to be installed on Diesel-electric switching locomotives, also for the **Lehigh Valley**.

The **Lehigh Valley** has ordered from the General Railway Signal Company equipment to install type H, 2-wire centralized traffic control at Richards, Pa. The control machine for Richards (West) will be located at Easton, Pa., and have a 20-in. panel equipped with 9 track lights and 4 levers for control of 3 switch machines and 4 signals. Model 5D switch machines, type SA signals and type K relays will be used.

## MARINE

**Chesapeake & Ohio**.—See "Locomotives" above.

## FINANCIAL

### New Securities

Division 4 of the I.C.C. has authorized:

**Chicago & North Western**.—To assume liability for \$7,065,000 of equipment trust certificates to finance in part 54 Diesel-electric locomotives and three Diesel rail cars at an estimated total cost of \$8,846,878. (See *Railway Age* of February 25, page 65.) The certificates, to be dated April 1, will bear interest at 2¼ per cent and mature in 15 installments of \$471,000 each, beginning April 1, 1951. The successful bid for the issue was that of Halsey, Stuart & Co. and 12 associates, who bid 99.531. The average annual cost of the proceeds to the C.&N.W. will be approximately 2.33 per cent. The certificates were reoffered to the public at prices yielding from 1.35 to 2.5 per cent, according to maturity.

**Chicago, St. Paul, Minneapolis & Omaha**.—To assume liability for \$915,000 of equipment trust certificates to finance in part seven Diesel-electric locomotives, including six 1,500-hp. "A" freight units from the Electro-Motive Division, General Motors Corporation, at an estimated cost of \$166,042 each, and one 1,600-hp. road-switcher from Fairbanks, Morse & Co. at an estimated cost of \$165,344. The certificates, to be dated April 1, will bear interest at 2 per cent and mature in 10 installments of \$91,500 each, beginning April 1, 1951. Successful bid for the issue was made by Harris, Hall & Co., on behalf of itself and Equitable Securities Corporation. The bid price

## ANNUAL REPORTS

Railroad		Operating Revenues	Operating Expenses	Fixed Charges	Net Income	Current Assets*	Current Liabilities*	Long Term Debt*
Akron, Canton & Youngstown .....	1949	\$4,570,664	\$3,463,129	\$274,200	\$281,727	\$1,618,498	\$1,134,593	\$3,964,280
	1948	5,890,355	3,696,456	280,635	905,879	2,419,208	1,711,543	4,124,280
Fonda, Johnstown & Gloversville .....	1949	876,384	854,206	15,045	71,850d	223,366	120,093	1,115,430
	1948	980,803	843,252	16,141	26,353	389,757	217,671	1,148,730
Gulf, Mobile & Ohio .....	1949	73,031,814	55,692,163	1,856,780	4,000,262	30,767,802	21,805,327	79,891,436
	1948	81,057,930	59,795,192	1,778,585	6,122,072	32,778,093	24,498,157	76,207,772
Hudson & Manhattan ....	1949	6,468,726	5,492,915	1,691,636	725,367d	1,470,686	1,534,408	46,339,405
	1948	6,938,036	5,543,245	1,494,756	17,243	1,688,667	1,647,024	50,773,705
International of Central America .....	1949	12,395,066	11,544,334	351,275	166,831	5,700,696	1,025,732	6,860,200
	1948	13,333,950	10,926,226	377,702	1,357,770	7,150,842	1,388,924	7,543,005
Lehigh & New England ....	1949	7,698,389	4,974,106	178,731	1,633,233	2,621,632	2,426,785	8,023,473
	1948	9,012,856	5,544,277	150,436	1,890,494	3,187,924	2,631,279	6,503,664
Lehigh Valley .....	1949	69,181,281	56,573,531	5,374,426	174,264	25,544,556	8,441,748	92,544,221
	1948	80,050,451	63,821,753	6,750,406	3,315,060	24,307,485	8,976,192	100,320,514
Norfolk Southern .....	1949	8,766,385	7,080,463	247,005	441,778	2,570,318	1,780,915	8,193,206
	1948	9,948,123	7,794,698	268,656	437,069	3,436,984	1,905,467	9,504,315
Pennsylvania .....	1949	848,211,159	729,413,756	-----	12,474,627	283,201,219	136,011,440	693,410,850
	1948	999,982,899	832,845,976	-----	34,429,933	359,241,987	193,540,568	675,540,266
Reading .....	1949	109,747,174	91,266,297	5,421,783	5,889,055	33,719,492	21,347,918	104,672,152
	1948	129,316,399	101,904,063	5,323,554	10,093,788	32,321,692	27,884,754	103,934,518
Savannah & Atlanta .....	1949	2,906,686	2,023,535	67,309	296,548	1,677,936	912,333	1,412,500
	1948	3,196,903	2,109,021	61,654	411,634	1,776,131	1,053,204	1,540,250
Seaboard Air Line .....	1949	122,894,179	98,870,492	1,911,010	8,156,294	39,565,916	26,115,028	106,487,500
	1948	132,695,409	104,324,127	2,089,372	9,965,654	44,608,479	26,291,595	103,353,900
Southern Pacific .....	1949	537,518,704	424,833,131	20,612,076	30,479,645	181,315,493	95,642,000	636,080,770
	1948	587,462,083	457,229,996	20,332,526	38,759,585	210,026,196	108,282,351	608,858,749

\*On December 31  
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was 99.07, and the average annual interest cost will be approximately 2.2 per cent. The certificates were reoffered to the public at prices yielding from 1.4 to 2.4 per cent, according to maturity.

**Pennsylvania.**—To assume liability for \$10,200,000 of series Y equipment trust certificates, the second and final installment of a \$20,820,000 issue being used to finance in part 186 Diesel-electric locomotive units, costing an estimated total of \$26,033,700. As noted in *Railway Age* of January 28, page 53, the first installment of the certificates amounted to \$10,620,000, and sold for 99.434 with interest at 2½ per cent. The present installment will be dated January 1, and mature in 15 annual installments of \$680,000 each, beginning January 1, 1951. The successful bid for the issue was that of Harriman, Ripley & Co. and Lehman Brothers and three associates, who bid 99.0566 with a 2¼ per cent interest rate, making the average annual cost of the proceeds to the P.R.R. approximately 2.38 per cent. The certificates were reoffered to the public at prices yielding from 1.4 to 2.55 per cent, according to maturity.

**Western Maryland.**—To assume liability for \$2,460,000 of series N equipment trust certificates to finance in part 20 Diesel-electric locomotives at an estimated total cost of \$3,086,324. (See *Railway Age* of March 4, page 72.) Acquisition of this equipment is the first step toward ultimate substitution of Diesel-electric power for steam locomotives on W.M. lines east of Hagerstown, Md. The commission approved sale of these certificates to Halsey, Stuart & Co., whose bid was 100.1089 with interest at 2¼ per cent. The certificates will be dated March 15 and mature in 15 installments of \$164,000 each, beginning March 15, 1951. On the basis of the bid the average annual

cost of the proceeds to the W.M. will be approximately 2.24 per cent. The certificates were reoffered to the public at prices yielding from 1.3 to 2.45 per cent, according to maturity.

Application has been filed with the I.C.C. by:

**Chicago, Burlington & Quincy.**—To issue and sell \$25,000,000 of first and refunding mortgage bonds, series of 1990, proceeds from the sale of which will be used for two purposes: To redeem or purchase \$12,460,100 of C.B.&Q. first and refunding mortgage 4½ per cent series B bonds that are callable February 1, 1952, at 105; and to reimburse the company treasury in part for net capital expenditures made on a new line of railroad between Missouri City Junction, Mo., and Needles Junction. The new bonds would be sold on the basis of competitive bids, with the interest rate to be set by such bids. Sinking fund provisions would provide for annual payments of 1 per cent of the issue (\$250,000). The C.B.&Q.'s first and refunding mortgage is the road's only open mortgage, and it is "secured generally" by a second lien on the road's property. There is additional security in that \$146,542,000 of the road's general mortgage bonds, representing a first lien on C.B.&Q. property, are also pledged. The application stated that new portions of the Missouri line will not be subject to either the general mortgage or first and refunding mortgage "unless and until it is specifically mortgaged."

The \$12,460,100 in series B bonds which the C.B.&Q. proposes to call February 1, 1952, would normally mature February 1, 1977. However, by calling these bonds early and issuing the new bonds at a more favorable interest rate, the road hopes to effect substantial savings even after payments of premiums.

### Dividends Declared

Chicago Great Western.—5% preferred, 62½ cents, accumulations, payable March 31 to holders of record March 21.

Dover & Rockaway.—\$3, semiannual, payable April 1 to holders of record March 31.

Philadelphia & Trenton.—\$2.50, quarterly, payable April 10 to holders of record April 1.

Savannah & Atlanta.—5% preferred, \$1.25, quarterly; common, \$1, both payable April 1 to holders of record March 15.

Spokane International.—\$2.50, payable May 1 to holders of record April 18.

Virginian.—62½ cents, quarterly, payable March 31 to holders of record March 24.

Wheeling & Lake Erie.—4% prior lien, \$1, quarterly; common, \$1.43¾, both payable May 1 to holders of record April 7.

### Average Prices Stocks & Bonds

	Mar. 21	Prev. week	Last year
Average price of 20 representative railway stocks	42.52	42.22	38.44
Average price of 20 representative railway bonds	92.55	92.50	86.93

### Investment House Publications

[The surveys listed herein are, for the most part, prepared by financial houses for the information of their customers. Knowing that many such surveys contain valuable information, *Railway Age* lists them as a service to its readers, but assumes no responsibility for facts or opinions which they may contain bearing upon the attractiveness of specific securities.]

Smith, Barney & Co., 14 Wall st., New York 5.

*Which Railroads Are Most Favorably Situated in 1950?*, by Walter F. Hahn. Railroad Bulletin No. 39. March 6. (Noted in *Railway Age*, March 4, page 62.)

*Southern Pacific Company. Convertible Debentures Due April 1, 1960, Subject*



to Interstate Commerce Commission Approval. Railroad Bulletin No. 40. March 7.

Vilas & Hickey, 49 Wall st., New York 5. Minneapolis & St. Louis. March 10.

## RAILWAY OFFICERS

### EXECUTIVE

**A. Warren Tucker**, chief clerk to vice-president—traffic of the Chesapeake & Ohio, has been appointed assistant to vice-president—traffic, with headquarters as before at Cleveland, Ohio. A native of Richmond, Va., Mr. Tucker entered the service of the C.&O. in February, 1928, as a stenographer-clerk in the of-



A. Warren Tucker

fice of the assistant to general manager at Richmond. Since transferring to the traffic department at Cleveland in July, 1929, Mr. Tucker served as stenographer-clerk, secretary to vice-president and assistant chief clerk before his promotion to chief clerk in 1943.

**H. J. German**, president of the Montour (owned jointly by the Pennsylvania and the Pittsburgh & Lake Erie) at Pittsburgh, Pa., has retired after 30 years service, 27 of them as president. He has been succeeded by **J. A. Appleton**, vice-president of the Central region of the Pennsylvania at Pittsburgh. **C. M. Yohe**, operating vice-president of the P. & L. E., also at Pittsburgh, has been appointed vice-president of the Montour.

Mr. German, who is retiring also as president of the Youngstown & Southern, was born in Nebraska on February 19, 1881. He began his railroad career as a messenger for the Burlington & Missouri River (now Chicago, Burlington & Quincy) at Wymore, Neb., in October, 1894, and subsequently served in various capacities in the mechanical and operating departments. From 1913 to August, 1917, he was trainmaster and su-

perintendent transportation of the Denver & Salt Lake (now Denver & Rio Grande Western) at Denver, Colo., then serving until the end of World War I with the Commission on Car Service, Railroads' War Board. In 1918 he became manager of the Eastern Railroads' Car Pool at Pittsburgh and in September, 1919, was appointed assistant manager of the Car Service Section of the United States Railroad Administration at Washington, D. C. Mr. German became vice-president of the Montour in March, 1920, and was elected president in April, 1923, in which capacity he has served since that time, except for a year's leave of absence as Eastern regional director for the Federal Coordinator of Transportation.

### FINANCIAL, LEGAL & ACCOUNTING

As reported in the *Railway Age* of March 4, **Leo V. Sullivan** has resigned as comptroller of the New York, New Haven & Hartford at New Haven, Conn. Mr. Sullivan was born at Stony Creek, Conn., on June 9, 1894, and entered the service of the New Haven in August, 1914, as a clerk in the office of the superintendent of car service. He served in that capacity until April, 1916, when he became bookkeeper for the Norcross Con-



Leo V. Sullivan

struction Company. From June, 1917, to May, 1919, Mr. Sullivan was in the United States Army. Returning to the New Haven in August, 1919, he became clerk-bookkeeper in the office of the auditor of disbursements. He was appointed accountant in May, 1925; statistician in November, 1934; special assistant to comptroller in October, 1941; general auditor on December 1, 1943; and comptroller on March 1, 1947.

**A. F. Hucksold**, whose promotion to auditor of the Association of Western Railways at Chicago, was reported in the *Railway Age* of March 11, was born in that city on January 18, 1897. Starting his career as assistant bookkeeper in the accounting department of the Trans-Continental Passenger Association at Chi-

cago in August, 1916, Mr. Hucksold served as cashier and manager of the clergy bureau in that department from 1917 to 1918. Subsequently he became a cashier in the accounting department of the Western Passenger Traffic Committee at Chicago, being appointed accountant for the Trans-Continental Passenger Association in 1920, and for the Trans-Continental-Western Passenger Association in 1932. The following year Mr. Hucksold became chief clerk of the General Bureaus, Association of Western Railways, Chicago. He was later advanced to assistant auditor, the post he held at the time of his recent promotion.

**D. L. Smith**, real estate agent of the Atlantic Coast Line at Wilmington, N. C., has been appointed also general land agent of the Atlantic Land & Improvement Company (A.C.L. subsidiary).

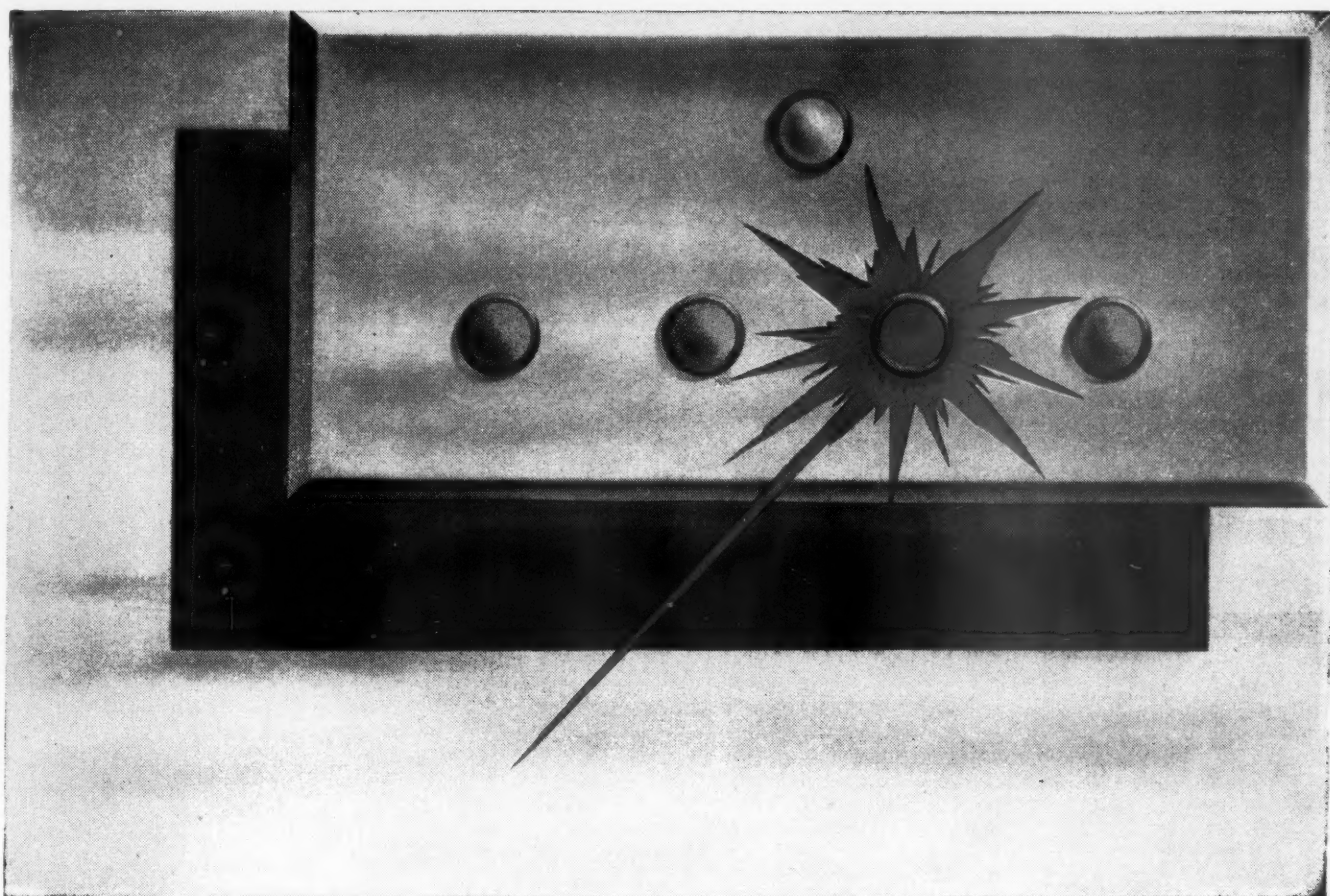
**Jeremiah J. O'Neill**, whose appointment as comptroller of the New York, New Haven & Hartford at New Haven, Conn., was reported in the *Railway Age* of March 4, was born at Randolph, Mass., on November 10, 1896. He entered the service of the New Haven on January 28, 1914, as a clerk in the express accountant's office at Boston, Mass. In July, 1915, Mr. O'Neill became statistical clerk at New Haven and four months later he shifted to the office of the auditor of disbursements, subsequently being promoted to chief clerk. In November, 1920, he was appointed supervising division accountant in charge of division accounting for the entire system and in 1924 re-



Jeremiah J. O'Neill

turned to Boston for a five-year period as division accountant of the Boston and Midland division. Mr. O'Neill then served successively as special accountant on rate cases, statistical accountant, special assistant to general auditor, and special assistant to the comptroller at New Haven. In October, 1935, he became assistant auditor of disbursements and was promoted to auditor of disbursements in November, 1937. He became assistant to comptroller on October 16, 1941; assistant general auditor in December, 1944:

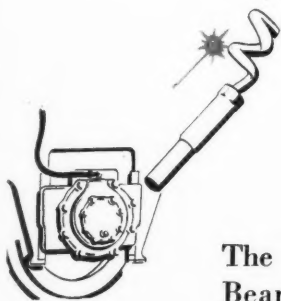




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and assistant comptroller on March 1, 1947. Mr. O'Neill held the latter position until his recent promotion.

## OPERATING

**Joseph Kapenos**, newly appointed superintendent of the Scranton division of the Delaware, Lackawanna & Western at Scranton, Pa., attended grade and high schools at Boonton, N. J. He entered the service of the Lackawanna on April 10, 1918, as a stenographer in the office of the chief train dispatcher



Joseph Kapenos

at Hoboken, N. J. In September, 1927, he transferred to the office of the vice-president and general manager at New York. Mr. Kapenos was appointed stationmaster at Newark, N. J., in June, 1931; crew dispatcher in the office of the assistant superintendent at Hoboken in 1932; and trainmaster at Hoboken in September, 1946, transferring to Port Morris, N. J., in July, 1948, and to Scranton in January, 1950. Mr. Kapenos' appointment as superintendent was announced in the *Railway Age* of March 4.

**H. A. Moffitt**, superintendent of agencies of the Chesapeake & Ohio at Huntington, W. Va., has been appointed superintendent station service and freight claim prevention, with the same headquarters. The position of superintendent of agencies has been abolished.

**David C. Ferguson**, superintendent of terminals of the Southern at Knoxville, Tenn., has been transferred to Atlanta, Ga., succeeding **Walter C. Bledsoe**, who recently suffered a serious illness.

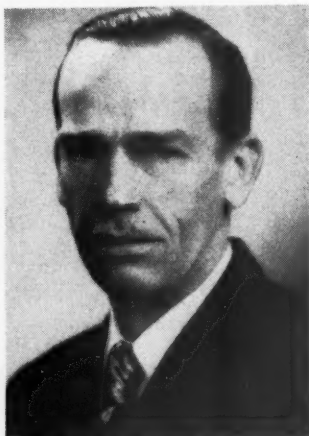
**Walter J. Hamm**, chief clerk of the car service department of the Delaware, Lackawanna & Western, in charge of accounting and operating statistics, has been appointed car accountant, with headquarters as before at Scranton, Pa.

**J. L. Palethorpe**, superintendent of the Canadian Pacific at Penticton, B. C., has retired because of ill health, after nearly 40 years of service. He is succeeded by **Leslie R. Smith**, assistant superintendent at Cranbrook, B. C. **David P. Shep-**

**ard**, assistant superintendent at Revelstoke, B. C., succeeds Mr. Smith, and is replaced in turn by **W. R. Fleet**, yardmaster at Cranbrook. **Hilliard MacBeth**, mechanical clerk to the general superintendent at Moose Jaw, Sask., becomes acting assistant superintendent at Brandon, Man. He succeeds **J. A. Forbes**, transferred to Wynyard, Sask., replacing **Arthur P. Thompson**, retired.

Mr. Palethorpe was born at Ingersoll, Ont., on November 30, 1889, and began his career in October, 1907, with the Dominion Express Company (now Canadian Pacific Express Company). In 1908 he went with the Canadian Northern Quebec (now Canadian National), entering C.P. service in 1910 as a clerk-stenographer in the sleeping and dining car department at Montreal, Que. Subsequently he held several positions in the same department, including inspector and supervisor, until 1920, when he was appointed chief clerk to the general manager. Mr. Palethorpe became assistant superintendent of the Montreal terminals in 1926, and later served in that capacity at Minnedosa, Man., and Brandon, being advanced to superintendent at Edmonton, Alta., in 1935. He held that post at Medicine Hat, Alta., from 1936 to 1941, when he was appointed superintendent at Penticton.

**Vernon A. Gordon**, who has been promoted to superintendent of the Missouri Pacific's Missouri and Memphis divisions, and of the Missouri-Illinois (part of the M. P. Lines) west of the Mississippi river, including River Transfer, with headquarters at Poplar Bluff,



Vernon A. Gordon

Mo., was born at Council Grove, Kan., on October 3, 1906. His career with the M. P. began in August, 1925, as an extra clerk on the Central Kansas and Colorado divisions. Subsequently he served successively as yardmaster at Hoisington, Kan., and as car agent and assistant supervisor in the general office at St. Louis, Mo. He was later transferred to McGehee, Ark., as night general yardmaster, and in 1940 was loaned to the U. S. Army, being placed in charge of constructing track between Brighthurst, La., and Claiborne, and at

Camp Polk. Upon his return to the M. P. Mr. Gordon became general yardmaster at Wichita, Kan., and subsequently served as assistant trainmaster at Van Buren, Ark., and as trainmaster at Jefferson City, Mo. In April, 1945, he was promoted to assistant superintendent of the St. Louis Terminal division. He became assistant superintendent of the Joplin and White River divisions, at Nevada, Mo., in January, 1949, the post he held just prior to his recent promotion, which was reported in the *Railway Age* of March 11.

**C. E. Shaver**, trainmaster of the Canadian National at Brantford, Ont., has been appointed assistant superintendent of the Belleville division at Lindsay, Ont., succeeding **J. D. Hayes**, whose transfer to the Montreal terminals was noted in the *Railway Age* of March 11. **A. W. Louch**, terminal trainmaster at Windsor, Ont., succeeds Mr. Shaver at Brantford, and **J. Smyth**, transportation assistant at Toronto, Ont., replaces Mr. Louch at Windsor.

## TRAFFIC

**L. F. Heineck** has been appointed general coal freight agent of the Delaware, Lackawanna & Western at New York, succeeding **J. F. Rydene**, who will retire on March 31 under the pension rules of the company, after 48 years of service.

**J. E. McDonald**, district passenger agent of the Atlantic Coast Line at Orlando, Fla., has been transferred to Rocky Mount, N. C., to head the new office there. **B. C. Miller**, traveling passenger agent at Orlando, succeeds Mr. McDonald as district passenger agent. **M. C. Millican**, traveling passenger agent, has been appointed district passenger agent, with headquarters as before at Richmond, Va.

**Elmo C. Davis**, commercial agent of the Southern at Washington, D. C., has been promoted to general agent at Norfolk, Va., to succeed **John M. Woodruff**, who will retire on April 1 after more than 41 years of service.

**C. W. Stover**, **W. V. Gunn** and **L. W. Geis**, commercial agents of the Norfolk & Western at Roanoke, Va., Buffalo, N. Y., and Indianapolis, Ind., respectively, have been promoted to general agents, with the same headquarters.

**Patrick J. Mullaney**, freight traffic manager of the Boston & Maine and the Maine Central at Boston, Mass., has been appointed general traffic manager, with supervision over the freight and passenger traffic departments of both roads, effective April 1. **Carleton F. Heard**, assistant to the vice-president, traffic, of the B.&M. and M.C. at Boston, has been promoted to assistant general traffic manager of these roads. **James R. MacAnanny**, assistant freight traffic manager of the B.&M. and M.C. at Boston, has been promoted to freight traffic manager of both roads.

Mr. Mullaney was born at Somer-

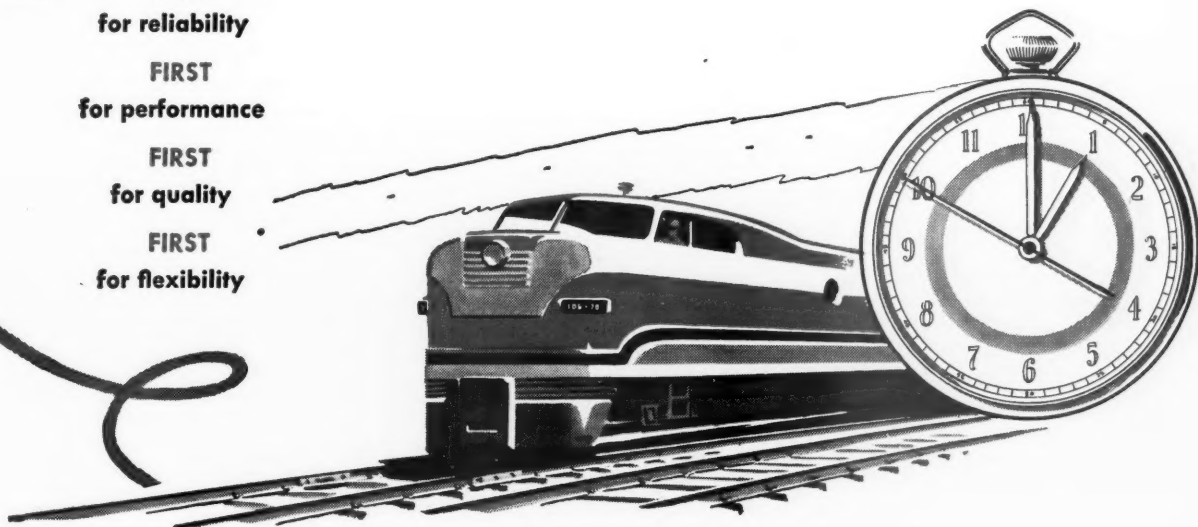


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ville, Mass., on December 30, 1892, and entered railroad service on February 23, 1910, as office boy with the B.&M. After military service during World War I, he returned to the B.&M. in a clerical capacity, later serving successively as traveling freight agent, chief clerk to vice-president in charge of traffic, assistant general freight and passenger agent at Portland, Me., assistant general freight agent in charge of off-line agencies at



Patrick J. Mullaney

Boston and general freight agent in charge of service and solicitation. In January, 1929, Mr. Mullaney was appointed assistant freight traffic manager in charge of service and solicitation and in February, 1933, became freight traffic manager of the B.&M. On August 1, 1934, his jurisdiction was extended to include the M.C.



Carleton F. Heard

Mr. Heard was born at Manchester, N. H., on March 24, 1900, and attended Phillips Andover Academy, Andover, Mass.; Amherst College (A.B. 1921); and Harvard University Engineering School (B.S. in C.E. 1923). He entered railroad service in September, 1923, as a clerk at the Billerica shops of the B.&M. and one month later went to Enfield, N. H., as clerk. In August, 1924, he became a clerk in the general freight office at Boston and was appointed chief

rate clerk in that office in January, 1926. Mr. Heard was promoted to assistant general freight agent in April, 1928; general freight agent in November, 1942; and assistant to vice-president in charge of traffic of the B.&M. and M.C. in December, 1944.

**Fred J. Fuerst**, division freight agent of the Missouri-Kansas-Texas at St. Louis, Mo., has been appointed to the newly-created position of assistant general freight agent at that point.

**E. C. Helland**, general agent of the Chicago, Indianapolis & Louisville at Pittsburgh, Pa., has been promoted to general eastern agent, with headquarters at New York. He is succeeded by **William T. Flinn**.

## MECHANICAL

**L. J. Garrett**, master mechanic, Central region, of the Pennsylvania at Cleveland, Ohio, has been transferred in that position to the Western region, with headquarters at Ft. Wayne, Ind., succeeding **J. E. Brower**, granted a leave of absence.

**C. R. Buskard**, superintendent of motive power at the Transcona, Man., shops of the Canadian National, has been appointed assistant works manager of the Point St. Charles shops, Montreal, Que. **J. L. Smith**, superintendent of motive power at the Point St. Charles shops, has been transferred to Transcona to succeed Mr. Buskard.

**Frank L. Baker**, master mechanic, Western Lines, of the Chicago & North Western at Chadron, Neb., will retire on March 31. He will be succeeded by **J. H. Winfield**, assistant master mechanic, Iowa division, with headquarters at Council Bluffs, Iowa.

## PURCHASES and STORES

**Emory J. Gravelle**, chief clerk in the office of the purchasing agent of the Chicago, Indianapolis & Louisville at Lafayette, Ind., has been promoted to assistant to the purchasing agent at that point, succeeding **M. Hilkert**, retired.

**C. I. Cavanaugh**, storekeeper of the Atlantic Coast Line at Tampa, Fla., has been appointed assistant general storekeeper at Wilmington, N. C. Mr. Cavanaugh was born at Newberry, S. C., and educated in the Wilmington public schools and the University of Richmond. He entered the service of the Coast Line on August 14, 1920, as assistant storekeeper at Wilmington and subsequently served as storekeeper at Jacksonville, Fla., and Montgomery, Ala., and as division storekeeper at Tampa. Mr. Cavanaugh served in the 703rd Railway Grand Division, U. S. Army, during World War II, and returned to the A.C.L. on March 4, 1946, as storekeeper at Tampa.

## ENGINEERING & SIGNALING

**B. J. Ornburn**, engineer and superintendent bridges and buildings—system, of the Chicago, Milwaukee, St. Paul & Pacific at Chicago, has been appointed assistant chief engineer—structures at that point. **E. E. Burch**, assistant bridge engineer at Chicago, has been advanced to bridge engineer there. The positions of assistant chief engineer, Lines East and Lines West, have been abolished. Mr. Ornburn was born at Granville, Mo., on July 21, 1900, and received his higher technical training at the University of Missouri. He entered railroad service in June, 1922, as a rodman on the Wabash at Moberly, Mo., and in 1923 became a detailer and checker of designs and plans for the Missouri State Highway Commission at Jefferson City, Mo. He was employed by the Marland Refining Com-



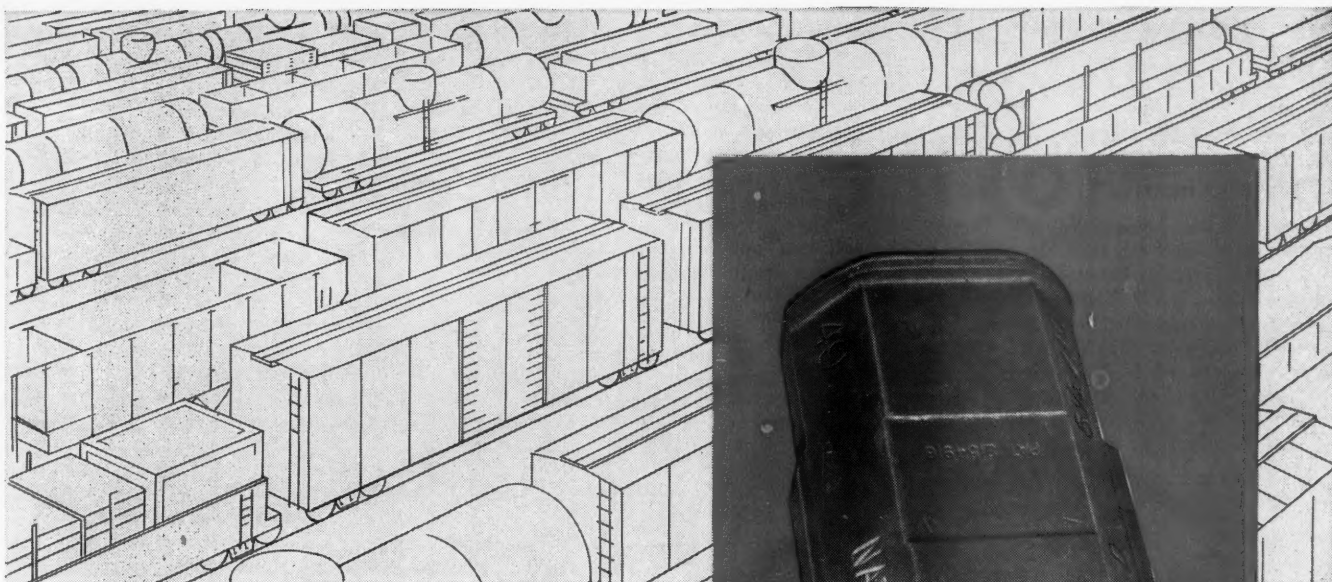
B. J. Ornburn

pany in 1926 and 1927 as a structural engineer at Ponca City, Okla., and was then appointed structural engineer in charge of the drafting room of Harrington-Howard & Ash, consulting engineers, at Kansas City, Mo. In 1929 he joined the Montana State Highway Department as design engineer, and became bridge engineer in 1931. Four years later he was made bridge design engineer, being appointed assistant engineer of the Northern Pacific at Seattle, Wash., in April, 1942. Mr. Ornburn was advanced to assistant bridge engineer one year later and in August, 1946, entered the service of the Milwaukee as assistant bridge engineer. He became engineer and superintendent bridges and buildings—system in June, 1947.

## OBITUARY

**Alfred J. Clynych**, senior assistant western counsel for the Great Northern at Seattle, Wash., suffered a fatal heart attack on March 2 in the Washington Athletic Club in that city.

**Ernest Officer**, assistant general passenger agent of the Canadian Pacific at Vancouver, B. C., died in that city recently.



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March 25, 1950

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## GENERAL NEWS

(Continued from page 74)

### L.V.'s New Whistles Called "Cheerful"

Six of the Lehigh Valley's Diesel-electric locomotives used in main-line passenger service between New York and Buffalo, N.Y.-Niagara Falls recently were furnished with chime-tone whistles made by the Nathan Manufacturing Company of New York. The new whistles, installed after considerable shopping around and experimentation

by Charles L. Patterson, vice-president and general manager of the L.V., were the road's answer to residents along its line who had complained about harsh whistles on several new locomotives. Since the installation one of the road's local freight agents received the following letter:

"The first time you see Mr. Lehigh, will you tell him for us how happy we are about the cheerful musical new whistles that he has installed in some of his engines. They're a downright joy. They have such a happy sound and we can't wait till he pulls out all the dismal moans and gives every blessed train a friendly chime—'Hi! everybody, here comes a train' whistle. The children no-

tice the difference. They rush to the window to watch, where with the moaning ones they hid their heads in their grandmother's calico skirt. It's fun. Let's have lots of 'em."

The story of a Lehigh Valley bell, which summons worshippers to church in Scarsdale, N. Y., is told by Robert J. Bayer in a recent issue of *Traffic World*. An 18-in. bell which formerly rode atop the head end of a heavy-duty freight locomotive is now part of Scarsdale's church of St. James the Less. Mr. Bayer



## A Mile-By-Mile *Operational Record* of Every Run

With DIESELOMETER PRODUCTS, the speed and the handling of the controls are faithfully recorded and their relationship to load, grade and schedules can readily be determined. Easily-read tapes testify to the efficiency of Diesel operation or point out deficiencies which can be quickly remedied. This operating data is invaluable to both management and operating personnel.

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says Charles W. Braden, general traffic manager for National Distillers Products Corporation, who interested himself in the church's need for a bell, found what he wanted in the road's shops at Sayre, Pa., and arranged for its installation in the church belfry as a memorial to the late Johanna Braden.

### "Railroad Week" Suggested

Setting aside the week of July 3-10 as "American Railroad Week" has been suggested by *Railroad Magazine*. "A week so dedicated," the magazine says, "and backed by the nationwide machinery of the common carriers, would pack a tremendous wallop. In a figurative sense it would be a door-to-door delivery of the Chicago Railroad Fair. . . . a vigorous, publicity-jammed seven days, to bring . . . a greater awareness of our most important transportation asset — the American railroads."

### Railroads Star in New Movie

Audiences in motion picture theaters all over the nation will have a chance to see a documentary film on America's railroads and the men who run them, when "Thundering Rails," a two-reel "featurette," is released by Universal-International Pictures early this spring.

Made up of shots taken on many different railroads, this special 20-min. subject is designed to show something of the drama, as well as the hard work, in-



volved in railroading. It includes many scenic shots of passenger and freight trains, and of railroad employees at work, to convey a quick insight into the operations which make possible the speed and efficiency with which railroads are run. The film also has a musical background and narration handled by Ed Herlihy, radio newscaster.

To capture the realism of railroading, a crew of Universal-International experts spent several months in shooting bits of the film in various parts of the country. Railroads cooperated in every way possible so that cameramen might get the most effective shots.

### E. J. & E. Employees Strive to Win Cars in Safety Contest

An 11-month employee safety contest, with two deluxe Chevrolet sedans and a television set as the prizes, has been announced by the Elgin, Joliet & Eastern. Eligible are all employees classified as "A" (engaged in the actual movement of trains or in similar "strenuous" work) and as "B" (engaged in less "strenuous" work). The class "A" employees may compete for the two automobiles, while those in class "B" have an opportunity to win the television set. Ineligible to compete in the contest are executive officers, supervisors and clerical staff.

Other condition of eligibility are that an employee be connected with the road at the close of the contest on November 30, 1950; have not less than 160 days of work with the company between January 1, 1950, and the aforementioned date; and have incurred no reportable injury during this period.

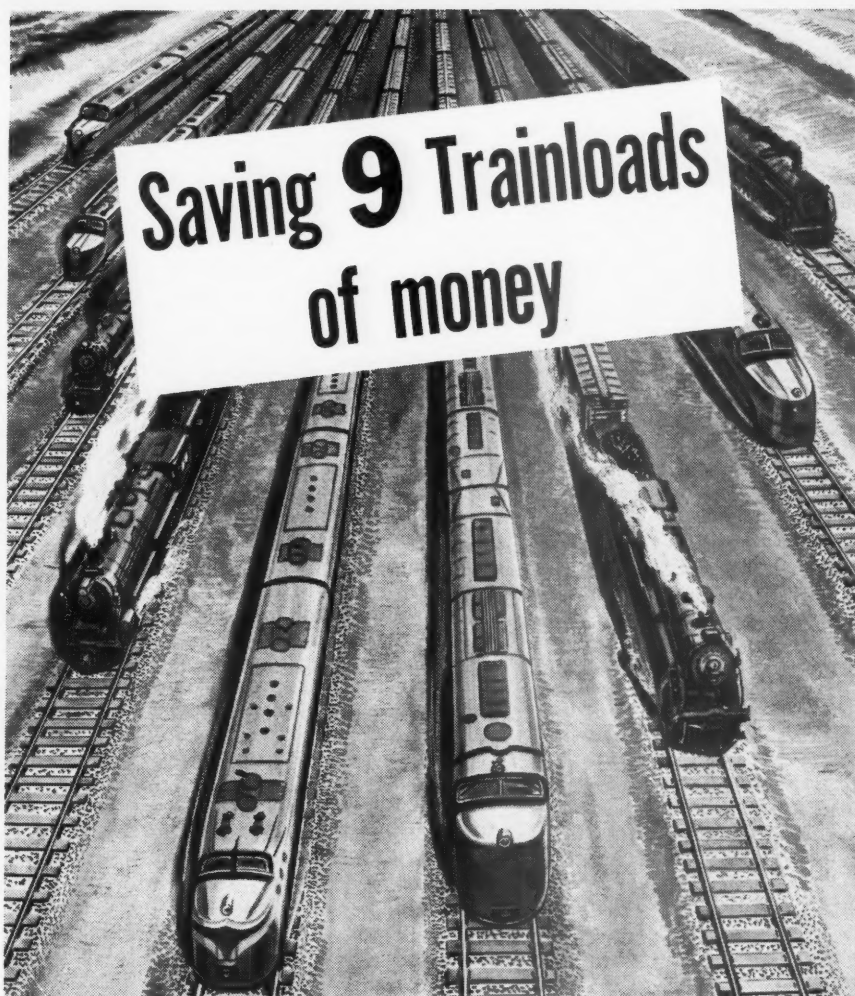
The names of all employees remaining eligible on November 30, will be placed "in the hat" for the drawing of winners. The railroad plans to reserve theatres at Gary, Ind., and Joliet, Ill., for the drawing. The mayors of the two cities and other notables will be invited to attend.

### C. & E. I. Starts Safety Drive

The Chicago & Eastern Illinois has launched an intensive safety drive for 1950 wherein employees having no reportable injuries during the period February 15-June 15 will be eligible for drawings of \$3,500 in United States saving bonds. In announcing the campaign, Clair M. Roddewig, president, asked that "eternal vigilance" be the "watchword" for 1950.

Departments of the railroad have been divided into three groups according to past safety records. Groups "A" and "B" will each be in line for \$1,250 in bonds. Group "C" will be eligible for \$1,000 in bonds. Prizes in the first two groups will range from \$600 for first prize to \$100 for fourth prize, while first prize in group "C" will be \$400 and fourth prize \$100.

In accordance with campaign rules, a reportable injury to an employee which results from violation by another employee of safety rules or instruction, will be counted against the record of the employee committing the violation and not against the injured man.



**Imagine a solid trainload of dollar bills, and you'll have a picture of how much a billion dollars is.**

Now imagine 9 such trainloads of money, and you will have a picture of how much railroads saved last year as compared with what it would have cost to handle 1949 traffic, at present wage and price levels, had railroads operated at their 1921 level of efficiency. And you—the people of the United States—have received the benefit of these savings in rates much lower than they would otherwise have had to be.

Compared with even so recent a year as 1939, the saving through greater efficiency is more than 2½ billion dollars a year.

Ninety per cent of the cost of producing rail service is in man power and materials—and in 1949 the railroads paid \$2.25 for the same units of man power and materials which in 1921 cost only \$1.00. But even with such increases, rail-

roads produced freight and passenger service in 1949 for charges which averaged only 3 per cent higher than in 1921.

The big reason for these great gains in efficiency is the investment since 1921, of 17 billion dollars for such new railroad "tools" as Diesel locomotives and centralized traffic control, which were unknown in 1921, as well as for improved tracks and terminals and signal systems, new and better cars, and for improved maintenance and repair facilities.

Each of these improvements resulted in savings which were cumulative year after year, and led in turn to other improvements. Each gave the public better service, and each helped to keep charges for railroad transportation down.

The same skill, ingenuity and determination which saved these billions are still at work on the railroads, striving to provide better service with greater efficiency.

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And in specifying and standardizing on Oakite materials, it is the **END RESULT**, it is the savings they bring about and measurable advantages they provide that have prompted so many leading roads to employ them in keeping maintenance cleaning costs **UNDER CONTROL**.

Wherever their experience and efforts are applied, whether cleaning locomotive air pumps as shown in photo above or in washing streamliner passenger cars, the ultimate and realistic objective of all Oakite Technical Service Representatives is to help you perform each job at minimum expense because it is the **END RESULT** in which you are most interested. Right now is a good time to utilize their helpful services, freely available day or night, in finding better ways to keep your cleaning costs down to bedrock and **UNDER CONTROL**.

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**Sealed in Zinc**—Actual service tests reveal distinct economies are effected by specifying Sealtite Essential Products with Double-Life Hot-Dipped, sealed in zinc finish. Corrosion is retarded—

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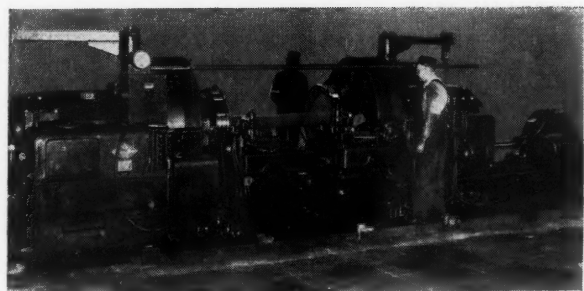
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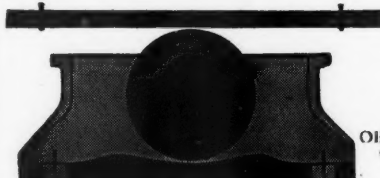
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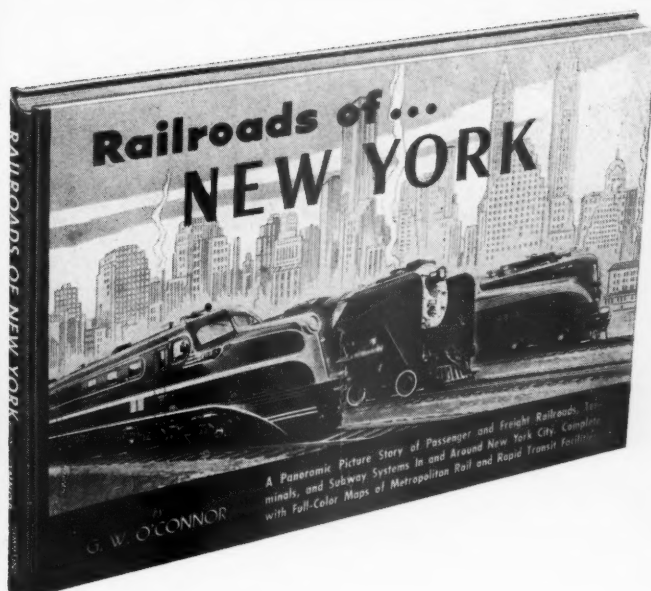


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Sometimes we like to be criticized.

But readers don't always seem to take us seriously when we ask suggestions for improvements.

Maybe they've been disillusioned about this suggestion box routine.

We hope not. Anyway, when we asked railway passenger agents their opinions and suggestions about last November's Passenger Progress Number, what we got were mostly bouquets.

Not that they weren't welcome.

"... have already used some of the material in talking with the travelling public," says a western agent.

"You certainly have something in your article on standardizing all passenger equipment," states another.

"The info' is good for those of us in position to discuss (this subject) with interested inquirers," comes from a southwestern agent.

"The consist of the various streamliners appearing in the 1949 issue is interesting and informative, as we are asked by the public a good many times during the year various questions as to how these trains are powered and equipped, and, from the information shown in this article, we can give intelligent information to the public," writes an agent in the northwest.

Evidently this Number gets plenty of good use—the kind of use it (and every issue of Railway Age) is designed to give, both to readers and advertisers.

Good, yes—but not yet perfect. We still like to be criticised—when criticism points the way to improvement.

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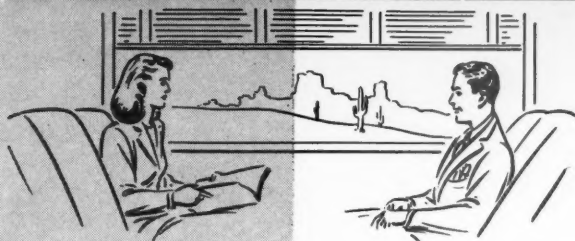
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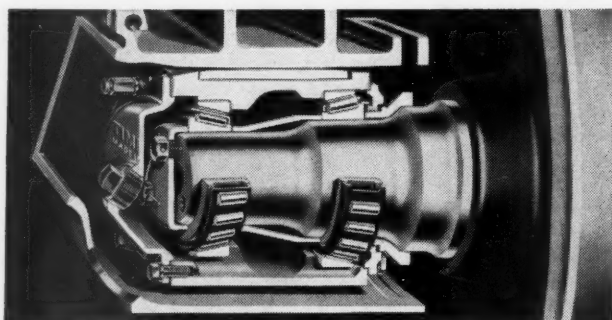


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**a**LMOST two years ago, the Columbus & Greenville Railway Company completed the dieselization of its motive power. Five Baldwin-Westinghouse 1500-hp. diesel-electric road switching locomotives and two Whitcomb 566-hp. diesel switchers replaced 23 steam locomotives formerly used. The records prove that this investment in diesel locomotives is paying off in the form of reduced operating expenses.

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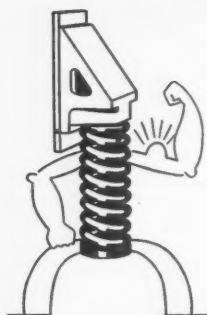
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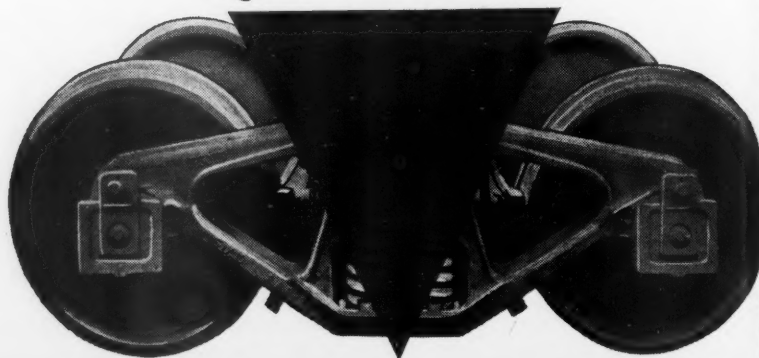
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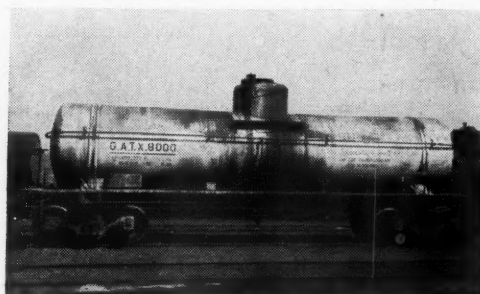
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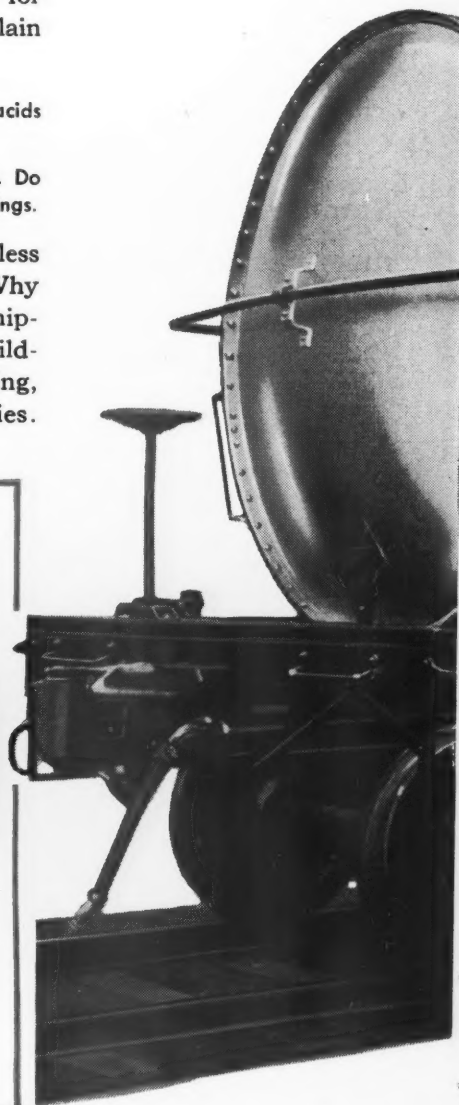
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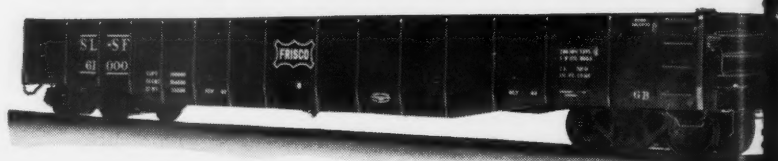
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